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A MARXIAN ANALYSIS OF CLASSICAL POLITICAL ECONOMIC THEORIES OF POPULATION

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by

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Abstract

A Marxian Analysis of Classical Political Economic

Theories of Population

Thomas Malthus's *Essay on the Principle of Population* is such a provocative and, for many, infuriating text that since the nineteenth century it has been practically synonymous with the whole of classical political economy's treatment of the population question. As a result, Marx's engagement with classical population theory has often been interpreted as having been primarily a polemical refutation of Malthus. Indeed, Marx and Engels wrote about Malthus with such vitriol that their own works, if read selectively, can easily give this very impression. My point of departure is the position that such interpretations are far too limited.

Population was a central category across the entire history of classical political economy, from the work of the French Physiocrats and Adam Smith to the nineteenth-century figures Marx called "vulgar economists." This very centrality suggests that Marx's critique of political economy would be incomplete if it did not provide the basis for a thorough critique of the discipline's population theories. I argue that Marx's critique of classical political economy's grounding ideology—i.e. its naturalistic and transhistorical conception of capitalist production—and of the discipline's inability to grasp the grounding social forms of capitalist production, provide this basis, and I reconstruct a Marxian critique of the discipline's population theories from these foundations.

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dramatically improving the end result. Needless to say, he shares no responsibility for its errors and limitations.

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Introduction: A Marxian Analysis of Classical Political Economic Theories of Population

I.1. Argument

This study examines classical political economic theories of population from the vantage point of Marx's critical theory of the capitalist mode of production. My point of departure is the position that a Marxian critique of classical population theory should be aimed principally at classical political economy's ideological foundations and conceptual failures; that is, what Marx believed was the discipline's naturalization and ahistorical conception of capitalist production, and its related inability to grasp capitalist society's grounding social forms. In what follows, I offer an analysis of the origins and development of classical political economy's population theories, which attempts to elucidate the connection between these theories and the fundamental elements of Marx's critique of the discipline. Classical political economy's grounding ideological vision and failure to account for the specificity of the social forms of capitalist production profoundly affected the nature of its population theories. I argue that attention to this ideological vision and its entailed conceptual failures opens up a perspective from which to assess both the achievements and the severe limitations of the discipline's theories of population and living standards, and I demonstrate how, and why, this is the case.

From the perspective of classical political economy, capitalism was not really grounded in historically and socially specific property relations at all, even if their emergence was part of a temporal, historical process. Rather, capitalist social

relations, for classical political economy, were simply the natural and rational outcome of humankind's relation to nature, and the human species' need to labor on the earth in order to survive.[1] This is why, for Adam Smith, capitalist social relations and commercial society could simply be referred to as the "system of natural liberty."[2] This naturalization and inattention to social form, which I will argue may in part be explained through Marx's theory of commodity fetishism, underpins the classical political economists' theories of population. Attention to this grounding ideology and its entailed inattention to social form, I maintain, helps to clarify what the classical political economist were successfully able to grasp about the relationship between capital and population in a capitalist mode of production, and, on the other hand, where their neglect of social form severely limited the adequacy of their theories, giving them a speculative and mystified character, and eventually driving them to what was indeed a vulgar and apologetic discourse. This discourse reaches its nadir in the reactionary idea that, at bottom, only the propertyless laboring poor can be blamed for their own poverty.

Such a Marxian analysis of classical political economy's population theory as I aim to provide will, I hope, offer a richer and more comprehensive account of the history of the discipline's theories of population than is possible when, as is common in much of the historiography, the focus falls predominantly on the work of Thomas

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[1] Clarke, Simon. *Marx, Marginalism and Modern Sociology: From Adam Smith to Max Weber*. 1991 edition. Basingstoke, Hampshire: Palgrave Macmillan, 1991, pp. 37-38.
[2] Smith, Adam. *An Inquiry Into the Nature and Causes of the Wealth of Nations, Volume 1*. Vol. 2 edition. Indianapolis, Ind.: Liberty Fund, 1982, p. 687.

Malthus. For, as I will document in more detail below, while the question of population in relation to economic growth in classical political economy is practically synonymous with Malthus, it is in fact the case that well before the appearance *Essay on the Principle of Population,* the basic contours of the discipline's population theory were set in place.[3] The reason for this lies in the fact that classical political economy's analysis of population was an integral part of, and actually inseparable from, its broader economic vision and system of economic analysis. As Yves Charbit explains, population became "an *organic* part of economic thought [in the eighteenth-century] as seen in the inevitable chapters on population in treatises on economics. … [Population] as a concept [found] its logic in the field of economics where it was initially theorized, much before it became a demographic concept."[4] What Charbit means by organic is that population growth, in classical political economic theory, was inextricably linked to and inseparable from economic growth; economic growth was the motor which drove population growth, and which determined the living standards of the population. Thus, as Habakkuk maintained, "Insofar as they had a consistent theory of the subject, economic writers of the later eighteenth and early nineteenth centuries supposed that long-term changes in the size of the population were primarily the result of changes in the supply of or demand for labour."[5] Indeed,

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[3] Marx, Karl. *Capital: Volume 1: A Critique of Political Economy*. Reprint edition. London ; New York, N.Y: Penguin Classics, 1992, pp. 766-768.
[4] Charbit, Yves. *Economic, Social and Demographic Thought in the XIXth Century: The Population Debate from Malthus to Marx*. Softcover reprint of hardcover 1st ed. 2009 edition. Springer, 2010. p. 4.
[5] Habakkuk, H. J. "English Population in the Eighteenth Century." *The Economic History Review* 6, no. 2 (January 1, 1953): 117–33.

the link was so strong that classical political economy's economic theory was essentially an economic-population theory, for in the systems of the great classical political economists, population growth followed hard on the heels of economic growth, to such an extent that for some it was even difficult to conceive of how economic growth could take place without being followed by population growth.

It is precisely because of the integration of population into the discipline's broader economic analysis and theory that I believe that Karl Marx's critique of classical political economy provides an essential theoretical framework for elucidating the ideological underpinnings, theoretical achievements and limitations, and historical development of classical political economy's theories of population and living standards. For the very centrality of population in the theories of value and distribution of the classical political economists is evidence that Marx's critique of classical political economy, in order to be a comprehensive critique, necessarily had to be able to explain and elucidate the foundations of the discipline's population theories, and provide the basis for a critique of these theories.

My account, therefore, departs significantly from interpreters who have suggested that the population question held little interest for Marx, and that his critique of classical political economy's population theory was rather narrowly limited to a polemic against the arguments laid out in Malthus' *Essay.* Wally Seccombe, for instance, argued that "The primary form of Marxism's traditional address to demography, dating back to Marx himself, has been through a virulent denunciation of its Malthusian versions." This tendency has led, Seccombe believes,

to "an anesthetic effect upon historical materialism—placing the demographic realm itself beyond the pale of legitimate scrutiny and investigation."[6] In a similar vein, Paul Sweezy suggested that "Marx never wrote much about the factors that determine the size of the population, but … he had no use whatsoever for the Malthusian theory or any of its variants. He called the population theory the 'dogma of the economists', and he scarcely ever mentioned it except to belittle it."[7] Here, incidentally, Sweezy mistakes the position of Malthus within the tradition of classical political economy; for it was in fact Malthus' theory of population that was a variant of classical political economy's work on this subject, more broadly. Malthus, that is to say, was hardly original, which Marx himself pointed out, caustically referring to Malthus *Essay* as "schoolboyish, superficial plagiarism."[8]

John Sherwood, recognizing that Marx and Engels did in fact did take aspects of Malthus' thought seriously, offers a slightly different view. Sherwood argues that "Despite the nearly universal belief that Marx and Engels would have nothing to do with any idea derived from Malthus, both their theories of unemployment were influenced by him. Engels incorporated the population principle of Malthus the demographer, and Marx took the doctrine of effective demand from Malthus the economist." Sherwood, astonishingly, even suggests that "Malthus helped confirm

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[6] Seccombe, Wally. "Marxism and Demography." *New Left Review*, no. 137 (February 1983): 23–47.
[7] Paul Sweezy, *A Theory of Capitalist Development.* P. 86. Quoted in Daly, Herman E. "A Marxian-Malthusian View of Poverty and Development." *Population Studies* 25, no. 1 (1971): 25–37.
[8] Marx, *op. cit.* p. 766.

both Engel's and Marx's belief in the inevitability of revolution."[9] For Sherwood, then, Marx's engagement with Malthus and classical population theory amounted to an assimilation of what Malthus got right, as opposed to a critique, properly speaking, which identified the grounding assumptions of the theory, and on this basis diagnosed its theoretical failures and mystifications.

More recently, Silvia Federici, wholly assimilating Marx's account of population into those of his classical political economist predecessors, argued that Marx himself held a mystified, naturalistic view of population. "Why procreation should be a 'fact of nature' rather than a social, historically determined activity, invested by diverse interests and power relations," she argues, "is a question Marx did not ask."[10] Marx, who generally eschewed naturalistic explanations, had, according to Federici's argument, a serious blind spot when it came to the historical and social determinations of procreation and population, which he took, naïvely, to be part of a "purely biological process." Such an interpretation is directly contradicted by Marx's own claims about human populations. In the *Grundrisse,* for instance, Marx writes that "in history … population proceeds in very different relations [from those proposed, by Malthus, as natural laws], and … overpopulation is likewise a historically determined relation, in no way determined by abstract numbers or by the absolute limit of the productivity of necessaries of life, but by limits posited rather by

[9] Sherwood, John. "'Engels, Marx, Malthus, and the Machine.' The American Historical Review, Vol. 90, No. 4, 1985, Pp. 837–865.
[10] Federici, Silvia. *Caliban and the Witch*. Autonomedia, 2004, p. 91.

specific conditions of production."[11] Marx goes on to argue that the laws of population are "historic laws," "which are indeed the history of the nature of humanity, the *natural* laws, but natural laws of humanity only at a specific historic development, with a development of the forces of production determined by humanity's own process of history."[12] Here, Marx's designation of the historical laws of population as "the history of the nature of humanity" ought to have given pause to the analyses of Seccombe and Sweezy, who suggested, as we just saw, that Marx didn't much care about population. As far as Federici's claim goes, Marx of course believed that history was a social process and that modes of production represent historically specific social forms of humankind's relationship to its means of reproduction, i.e. to its means of life. Nothing could be further from the truth than the interpretation that Marx believed that population was a "purely biological process," and it is just such a vision that Marx, *pace* Federici's suggestion, chastises Malthus for having advanced.

Explicit in Federici's criticism of Marx and implicit in Seccombe's is that Marx himself took a more-or-less naturalistic view of population. Both scholars read Marx as having accepted that population, insofar as it is a function of human reproduction, which itself takes place in the hidden abode of the home, could more or less be discounted as a natural background condition, not worthy of serious criticism or rigorous theorization. I maintain that this is both wrong and the result of an

[11]Marx, *op. cit.,* p. 606.
[12] *Ibid.*

ahistorical conception of "naturalization." First, the suggestion that Historical Materialism was not interested in the domestic realm is one that must be tempered by attention to the fact that Engels himself, through his *Origins of the Family, Private Property, and the State,* stands at the headwaters of historical sociology's analysis of the family, the home, and what Marxist Feminists refer to as reproduction. This is not to say that Engels work on this subject is unsurpassable, for it obviously isn't. Work by Marxist Feminists and theorists of social reproduction has indeed put a spotlight on the domestic sphere and unpaid, domestic labor in that is lacking in the work of Marx and Engels.[13] Yet this is not sufficient grounds to accuse either thinker of being uninterested in the domestic sphere. Both Engels' *Origins* and his *Condition of the Working Class in England* are indeed explicitly concerned with the home and the reproduction of life.

While it is unquestionable that Marx's analysis of social reproduction is deficient, as Antonella Picchio has suggested, the argument advanced by Federici, that Marx naturalized population growth, is simply absurd. That Marx—writing before the demographic transition, at a time when there were no widely available

[13] Picchio, Antonella. *Social Reproduction: the political economy of the labour market.* Cambridge, UP. 1992. I regret that I came across this very interesting book at a late stage in my research, and am unable to incorporate its findings into my study. Unlike Federici's work, which is admittedly focused at another register, Picchio's book provides a rigorous and exhaustive historical study of classical political economy's treatment of wage labor, women's work, and social reproduction. Her criticisms of Marx, while similar to Federici's, are more tempered: "Marx's emphasis is more on the process of production and accumulation of profit than on the process of social reproduction. This leads to some deficiencies in his analysis of the family and the state as agents in the labor market," p.8.

socially acceptable and effective methods of contraception, and when a considerable number of children born would not live to see the age of five—understood that higher real wages would result in an uptick in rates of marriage and in turn population growth of the working class is hardly grounds to accuse him of taking a biologistic view of population. Federici's point that procreation and women's bodies are subjected to the repressive authority of state and society is well taken, and beyond doubt. But the fact that Marx occasionally referred to the "natural effect" of population growth is not enough to establish that Marx failed to recognize the social determinants of population. That human population growth is an inexorably social problem does not mean that it is not also a natural phenomenon. The very position of human beings in the world entails a simultaneously natural and social existence. Federici seems to deal with the dual nature of human existence and procreation simply by electing one side of this dialectical relationship and discarding the other. This is not the way that Marx and Engels dealt with any problems, let alone ones in which the natural and social dimensions are so inextricably and complexly interwoven. Far from understanding population in naturalistic or biologistic terms, an approach that would have effectively relegated it to the sideline of their economic theory, Marx and Engels looked at population dialectically, and understood it to be influenced by both natural and social causes—which, indeed, it is.

Despite the validity of some of Federici's criticisms, there is no basis for the suggestion that Adam Smith, let alone Marx, took a purely naturalistic view of population. As Montesquieu, in a text that no thinker in the tradition of classical

political economy could have failed to have read, remarked, "The fertility of female animals is virtually consistent … [but] in the human species, the way of thinking, character, passions, fantasies, caprices, the idea of preserving one's beauty, the encumbrance of pregnancy, that of a too numerous family, disturb propagation in a thousand ways."[14] It is simply a myth that with the turn of the nineteenth century political economists stopped believing in the operation of these "thousand ways" of restricting propagation, and instead concluded that, as with the animals (if it is even the case with them), human procreation was only limited by the food supply. Indeed, it is difficult to imagine any serious social and political thinker ever advancing such a claim, insofar as it entails the more or less explicit renunciation of the realm of the social itself as a relevant dimension of the analysis of human life. Federici's argument that Adam Smith took such a view of population is wrong, and her suggestion that Marx did is astounding in its misreading.

The basic problem in accounts of Marx's engagement with the population question such as those offered by Seccombe, Sweezy, and Sherwood is that they are too narrow and, more precisely, are one sided. Specifically, in their emphasis on the Malthus versus Marx polemic they seem to fail to register the centrality of the population question throughout the entire history of classical political economy, as though the discipline's work on this problem could be summed up by the Malthusian theory alone. In fact, this is far from having been the case. As I suggested above, the very centrality of this cluster of problems in classical political economy suggests that

[14] Montesquieu, *The Spirit of the Laws*. Cambridge University Press, 1989, p. 427.

Marx's critique would simply be incomplete if it did not also offer a critique, or provide the basis from which to construct a critique, of the classical political economists' population theories. And this critique would necessarily have to encompass far more than a narrowly focused polemic against Malthus, or against the reactionary uses to which the "principle of population" were to be put by the "vulgar political economists" at the dawn of the liberal era.

That Marx and Engels appreciated the problems at stake in attempting to formulate a theory of the relationship between capital and population and living standards is evident from their long-standing interest in how these phenomena were related to the developmental dynamics of the capitalist mode of production—which they obviously looked at as a socially and historically determinate mode of production, i.e. in diametric opposition to the classical political economists' mystified naturalistic vision of capitalist production. Indeed, as will be seen in the concluding chapter, from the first pages of Engels' *Condition of the Working Class in England,* to Marx's theory of the "General Law of Capitalist Accumulation" articulated in chapter 25 of *Capital,* the founders of historical materialism display a keen interest in how capitalist production reacts upon population and living standards. I would in fact argue that population is such a vital problem to historical materialism that it is hard to imagine abstracting the population question from Engels' and Marx's respective critiques of classical political economy, much less from Marx's critical theory of the capitalist mode of production, without altering these almost beyond recognition.

This notwithstanding, a point about Seccombe's, Sherwood's, and Sweezy's claims regarding the focus on Malthus in Marx's commentaries on population merit comment. As they suggest, Marx and Engels despised Malthus, more so than practically any other classical political economist, with the exception of Say and the "vulgarizer" McCulloch. This is evident whenever Marx and Engels address the ideas of the English Parson, whom they variously referred to as a "plagiarist," a "Baboon," and a "sycophant." The tenor of these attacks on Malthus, as Seccombe maintains, had a certain programmatic justification. For as Wu points out, "Ever since Malthus … advocated a reactionary theory of population in 1789, the capitalist class has persistently utilized it as an ideological weapon for opposing the laboring class."[15] Marx and Engels' searing criticisms of Malthus' reactionary claim that the poor were excessively and irresponsibly fertile (a discourse that persisted and reaches its height in the apologetic wages-fund theory of McCulloch), their refusal to countenance the argument that scarcity is a natural condition, and their demonstration of the inexorably social dimensions of poverty and population, established positions from which generations of socialist thinkers and revolutionaries have gone on to attack the social Darwinist, racist, classist, and misogynist core of Malthusianism/Neomalthusianism. These efforts have been vital to the fight for economic, environmental, and reproductive justice, and continue to be to this day.[16]

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[15] Ta-k'un, Wu. "A 1960 Chinese Marxist Critique of Neo-Malthusian Theory." *Population and Development Review* 5, no. 4 (1979): 699–707.

[16] For a good review of the contemporary reactionary discourses of Neomalthusianism, see Angus, Ian, Simon Butler, Betsy Hartmann, and Joel Kovel.

Taking nothing away from this dimension of historical materialism's engagement with the population question, in what follows I will nonetheless shift the focus away from it. For I attempt to show that Marx's critique of classical political economy and his theory of the capitalist mode of production established the basis for a comprehensive critical interpretation of the ideological foundations of the theories of population and living standards articulated by classical political economy over the whole arc of its development. These population theories, because they were grounded in an ideological vision which conceived of capitalism as natural and eternal, and an analysis which failed adequately to grasp the driving dynamics and crisis tendencies of capitalism, were ultimately doomed to fall back on socio-naturalistic, mystified, and eclectic explanations in their search to understand the relationship between economic development, population, and poverty. Malthus' "principle of population" is indeed one such example of the way in which classical political economy's ideological vision was reflected in a socio-naturalistic and mystified theory of population, but as will be seen in what follows, it was by no means the only one.

Unlike the classical political economists, Marx would come to integrate an analysis of population within a broader theoretical framework that elucidated not only the dynamics of capital accumulation and economic crisis, but also a theory that explained the contradictions inherent in capitalist production as emanating out of its grounding social forms. Marx's theoretical achievements in this regard rested upon

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Too Many People?: Population, Immigration, and the Environmental Crisis. Chicago, IL: Minneapolis, MN: Haymarket Books, 2011.

his analysis of the grounding social forms of capitalist society, i.e. the commodity, value, surplus value, money, and capital. It is through Marx's theory of the capitalist mode of production that he is able to demonstrate how surplus populations relate to these grounding social forms and, indeed, are themselves the result of one of the central contradictions of capitalism. "Capital itself," Marx argued, "is the moving contradiction, [in] that it presses to reduce labour time to a minimum, while it posits labour time, on the other side, as the sole measure and source of wealth. Hence it diminishes labour time in the necessary form so as to increase it in the superfluous form; hence it posits the superfluous in growing measure as a condition—the question of life or death—for the necessary."[17] On the one hand, in a capitalist mode of production, labor-power, (i.e. variable capital), is the very source of value and of surplus value; on the other, capitalism manifests a simultaneous drive to employ all means at its disposal to intensify production, which is of course done through the use of machinery, thereby reducing labor inputs. This contradiction is the very core of Marx's conception of the dynamic and unstable relationship between capital and wage-labor. As terms like "precarity" and "informality" have now, in the era of late-Neoliberalism, become practically household words, Marx's analysis of the contradictory relationship between capital and wage labor continues to provide a powerful explanation for the highly uneven and contradictory patterns of capitalist development. Thus, while this is in a strict sense tangential to the focus of this study,

[17] Marx, Karl. *Grundrisse: Foundations of the Critique of Political Economy*. Reprint edition. London; New York: Penguin Classics, 1993, p. 706.

I hope that the argument that drives it, on the vital importance of Marx's critical theory of capitalism for making an historiographical assessment of the merits and failures of classical political economy's population theories, might serve the additional purpose of demonstrating the continued importance of Marx's critical theory for research into the nature of the relationship between capitalism and demography today.

I.2. Historiography

My argument on the relevance of Marx's critique of the ideological foundations of political economy on its population theories will be developed in the following chapters. Here, however, I wish to provide a fairly detailed summary of the history of the development of these theories, in order to give the reader an appreciation of the centrality of the category population, and its relation to economic growth, across the development of the history of classical political economy. First, it must be noted, again, that Malthus' *Essay on the Principle of Population* (1798), as a treatise examining the relationship between economic growth and population, with its suggestion that population, left unchecked, would encroach upon means of subsistence, was hardly original. Karl Polanyi, in a chapter of his magisterial work of modern economic history, covering the development and abolition of the English Poor Laws, offers an example of what might be called the "text-book" account, in which Malthus more or less invents the principle of population. Malthus' work, Polanyi suggest, showcased a naturalism absent from his predecessors, and thus

ushered in a new, far more pessimistic era in political economy. This, for Polanyi, represents nothing short of "the birth of nineteenth century consciousness."[18] Closing the book on the era of political economy marked by "Adam Smith's humanistic foundations,"[19] Malthus and Ricardo were the sons of a new era that came to believe that the "law of wages could not be based on any rational rule of human behavior, but had to be deduced from the naturalistic facts of the fertility of man and the soil … combined with the law of diminishing returns."[20] Duncan Foley echoes this judgement, suggesting that Malthus' breakthrough implied that "the majority of humanity must of mathematical necessity live in great enough misery and poverty to stabilize the total population,"[21] lest runaway population growth ended up causing society to outstrip its subsistence base (which, of course, populations from time to time did do throughout much of human history). In fact, this history, even as far as the work of Malthus himself is concerned, is far more nuanced; and while the focus on Malthus' originality has been stubbornly persistent in much of the historiography, it is, quite simply, an historiographical myth.

As we saw above, Marx himself considered Malthus' *Essay* to have been largely an exercise in plagiarism.[22] In a more lenient assessment, Joseph Schumpeter maintained that by the time the *Essay* appeared at the turn of the nineteenth century,

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[18] Polanyi, Karl. *The Great Transformation: The Political and Economic Origins of Our Time*. 2 edition. Boston, MA: Beacon Press, 2001, pp. 125-126.
[19] *Op. cit.* p. 114.
[20] *Op. cit.* p. 121.
[21] Foley, Duncan K. *Adam's Fallacy: A Guide to Economic Theology*. Cambridge, Mass: Belknap Press of Harvard University Press, 2006, p. 45-51.
[22] Marx, *Grundrisse.* p. 605. Also, Marx, Karl. *Capital,* pp. 766-767.

"there was nothing left for Malthus to say that had not been said before."[23] For as Schumpeter explained, "The theory of population as understood in the nineteenth century … that is to say, a theory of the factors—or 'laws'—that determine numbers and rates of increase or decrease, emerged much earlier than that."[24] In fact, Malthus' sole contribution, according to Schumpeter, was the infamous set up between the geometric increase of population versus the linear increase of means of subsistence.

Irrespective of the fame that Malthus' short book would eventually achieve, in large part due to the service it rendered to apologists of the poverty of the working classes in the classical liberal era, the reason that Malthus could not but have been an epigone with respect to the population question has to do with the fact that, as was indicated above, population was inseparable from the economic analysis and laws of value and distribution of classical political economy. Economic growth, in the conceptual framework of classical political economy, caused population growth, and did so in near law-like fashion. It was not Malthus' innovation, but classical political economy's integration of population into a systematic theory of economic growth—a project that began with Richard Cantillon, the Physiocrats, Sir James Steuart and Adam Smith—that led to an historical shift in the way that population was viewed.

Population was in fact an object of special concern for social and political thinkers going back to classical antiquity, probably to the advent of civilization

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[23] Schumpeter, Joseph Alois. *History of Economic Analysis*. New York: Oxford University Press, 1954, p. 255.
[24] *Op cit*. 254.

itself.[25] As Schumpeter explained, throughout much of history interest in the problem of population among governments and political philosophers focused primarily on avoiding overpopulation. This began to change during the period of the rise of absolutist states, as a pronounced "populationist" attitude, as Schumpeter referred to it, began to take hold. Under the supposition that a large and growing population was a sure sign of the power, health, and wealth of the kingdom, governments "began to favor increase in population by all means at their command." States often attempted to implement policies aimed directly at stimulating economic and population growth, they put a premium on numbers, effectively treating people as so much gold in the Prince's treasury.[26]

"[Until] the middle of the eighteenth century," Schumpeter continues, [political economic thinkers] were as nearly unanimous in this 'populationist' attitude as they have ever been in anything. A numerous and increasing population was the most important *symptom* of wealth; it was the chief *cause* of wealth; it *was* wealth itself—the greatest asset for any nation to have."[27] There was a simple economic rationale for this attitude, or so it seemed. According to Stangeland, upon whom Schumpeter draws heavily in his own account of the "populationist attitude," the positive balance of trade that was the overriding economic goal of the mercantilist

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[25] This is shown clearly in, Stangeland, Charles Emil. *Pre-Malthusian Doctrines of Population; a Study in the History of Economic Theory*. Studies in History, Economics, and Public Law, v. 21, No. 3. New York: AMS Press, 1904.
[26] Schumpeter, *op. cit*., p. 270. See also, Hoppit, Julian. "Political Arithmetic in Eighteenth-Century England." *The Economic History Review*, New Series, 49, no. 3 (August 1, 1996).
[27] Schumpeter, *op. cit.,* p. 251 (emphasis original).

states "necessitated the production of articles suitable for export trade… and this," he continues, appeared to "[demand] many men skilled in manufacturing trades…."[28] It therefore seemed obvious to a thinker like William Petty, physician, political arithmetician and one of the fathers of classical political economy, that "Fewness of people, is real poverty; and a Nation wherein are Eight Millions of people, are more then twice as rich as the same scope of Land wherein are but Four; For the same Governours which are the great charge, may serve near as well, for the greater, as the lesser number."[29]

In this age of warring absolutist states, moreover, numbers of men were indispensable to military might. Paralleling their preoccupation with the size of the population, mercantilist states oversaw the development of investigative methods that began to allow for rational assessments not only of the quantity but also the quality of their numbers. France, Sweden, Prussia, and to a lesser extent England, all employed measures for improvement and rationalization of the state apparatuses, including the military and education systems, through standardization of training and curriculum. In response to urban growth and threats from communicable diseases such as the plague, they also implemented rudimentary public health and city and town planning and management. Techniques for tallying annual births and deaths were devised, the so called "death tables," which recorded of the number of dead across the age range of

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[28] Stangeland, *op. cit.* pp. 119-120.
[29] Sir William Petty, *A Treatise of Taxes and Contributions.* In, Monroe, Arthur Eli. *Early Economic Thought; Selections from Economic Literature Prior to Adam Smith*. Cambridge: Harvard University Press, 1924, p. 203.

the population, offered new insights into risks faced by occupants of the different age brackets of society. According to Michel Foucault, these measures, aimed at standardizing the functions of the state and rationalizing the procedures of its self-knowledge were essential to the capacity of early modern absolutist state's gaining "disciplinary" control over their populaces.[30] Population was the basic unit of analysis of this *Staatsraison,* the ground of the objects of investigation of "political arithmetick."[31]

Adam Smith's hostility towards political arithmetic and mercantilism can serve as a signpost for the periodization of the intellectual history of population thought. I would argue, following Foucault, that the real break in analysis of population does not occur between the late eighteenth and the early nineteenth centuries, as much of the popular historiography would have it, but rather in the battle between classical political economy and the various forms of mercantilist economic doctrines which preceded it. For, as Foucault makes very clear, classical political economy's break with mercantilism not only entailed a more systematic and scientific examination of wealth, but of population as well. A passage from Foucault's 1977-78

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[30] Foucault, Michel. *Security, Territory, Population: Lectures at the Collège de France 1977—1978*. Edited by Michel Senellart. Translated by Graham Burchell. 1 edition. New York: Picador, 2009.

[31] The problem of counting the population was of course a formidable one in this period; the logistical problems were of course immense, and there was a Biblical passage that was interpreted as a prohibition of counting the people. This, incidentally, played a significant role in England's lagging far behind its continental counterparts in census taking—its first was not to be taken until the early nineteenth century—despite the great advances its economy was making relative to Western Europe. See, McCarthy, Helen. "The Statistical Gaze." *London Review of Books*, June 29, 2017.

lectures, *Security, Territory, Population,* offers a rough synopsis of the outlook of European social and political thinkers on the population in the mercantilist period, in order to differentiate it from the coming break, instantiated by the French Physiocrats. As Foucault, writing on the evolution of modern "governmentality" argued:

> The first concern of police [i.e. policy] will be the number of men, …. The state's strength depends on the number of its inhabitants. This thesis was already formulated in the Middle Ages and was repeated throughout the sixteenth century…. The thesis, or assertion, that the state's force depends on the number of its inhabitants is obstinately repeated throughout the seventeenth century, and still at the beginning of the eighteenth century before the physiocrats' great critique and reproblematization….[32]

Absolutist states, in other words, took measures to increase the number of "men." The "reproblematization" Foucault is referring to marks the emergence of the awareness that population grows according to its own natural laws. In Foucault's reading, it is the focus on population and its laws, just as much as the scientific analysis of the nature and causes of wealth, that marks the birth of political economy.

And indeed, classical political economy, as is well known, did conceive of civil society as a "natural phenomenon," governed by a lawlike regularity, whose laws were discoverable through the inductive operations of scientific research.[33] As Christopher Hill remarks, "writers on science, from Bacon to Locke, slowly brought about an intellectual climate in which scientific laws, the laws of nature, were equated with the law of God, immutable rational precepts, and also with an equally immutable

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[32] Foucault, Michel, *op. cit.* p. 323.
[33] Appleby, Joyce Oldham. *Economic Thought and Ideology in Seventeenth-Century England*. Los Angeles: Figueroa Press, 2004, p. 17.

moral law**.** The social importance of this was seen when political economy began to arrogate to itself the position of a science."[34] As an Enlightenment human science, classical political economy desired to understand human beings and their institutions with a kind of scientific rigor that took as its model the methods established by the physical and mathematical scientists in the previous century, during the scientific revolution.[35] It is within this naturalistic paradigm, which underpinned classical political economy's investigation into "the nature and the causes of the wealth of nations," that population would be investigated by the science of society constructed by the Physiocrats and Adam Smith. It is this systematic treatment, and the conception of population as subject to natural laws, that put it in stark contrast to Mercantilist doctrine. For just as classical political economy rejected Mercantilist tampering with the system of natural liberty and attempted to show that wealth was produced in accordance with laws, so too classical political economy viewed population in its relation to these very same laws. Whereas Mercantilism advised absolutist princes on how to increase their balance of trade, the gold in their treasuries, and the populations of their domain, for classical political economy, none of these could possibly be conjured up out of the will of the Prince, and the deliberate efforts of his advisors to do so were likely to do more harm than good.

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[34] Hill, Christopher. *Reformation to Industrial Revolution: 1530-1780*. The Pelican Economic History of Britain, v. 2. Baltimore: Penguin Books, 1969, p. 208.
[35] Meek, Ronald L. *Social Science and the Ignoble Savage*. Reissue edition. Cambridge: Cambridge University Press, 2011, p. 1.

As David McNally writes, the "major theoretical achievement of the Physiocrats was their conception of the economy as a *whole*—as an organic totality in which production, exchange, expenditure, and consumption were inextricably connected." The model of "economic interdependence" constructed by the Physiocrats attempted to demonstrate how "the circular flow (or 'reproduction') of economic life" actually worked.[36] The production of human beings was itself part of a cycle that was driven, in and through this circular flow of the economy, by production. For it was because of expenditure and consumption, in this conception, that production took place. For the latter, people were necessary, and they, indeed, were called forth by the production of food that was the foundation of the physiocratic system.

Laissez-faire, laissez-passer, the idea that the social metabolism of the economy ought to be left to its own, so far as possible, was thus, at bottom, a social-*physis,* as Foucault called it. Population was here framed as determined by the relationship of the propertyless masses "to wages, to the possibility of work, and to prices … population has its own laws of transformation and movement, and it is just as much subject to natural processes as wealth itself."[37] Here, again, is Foucault, speaking of the view of the Physiocrats in contradistinction to their early modern mercantilist predecessors:

> One is not to act like those utopians of the sixteenth century who said: Well, this is roughly the number of people that is necessary

[36] McNally, David. *Political Economy and the Rise of Capitalism: A Reinterpretation*. Berkeley: University of California Press, 1988, p. 85.
[37] Foucault, *op. cit.* pp. 351ff.

> and sufficient to make happy cities. In fact, the number of people will adjust itself. It will adjust itself precisely according to the available resources. … there will be a spontaneous regulation of the population that ensures—and all the *économistes* say this, Quesnay in particular stresses it—[that] you will always have the number of people that is naturally determined by the situation in a given place.[38]
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> I think it is important to emphasize that, broadly speaking, this all really takes place by way of the problem of what is called, or will be called, the economy.[39]

This was the new dispensation of classical political economy. For Foucault this signals a shift in epistemes—taking place well before the nineteenth century—from those organized around disciplinary control to a knowledge-regime which grasps the imbrication of the social and political within the universe of natural and physical laws, and which attempts to work within this framework through an understanding of the "flow" of bodies and energy through the social structure, what he refers to as "biopower." Christopher Barkan has offered a powerful critique of Foucault's concept of "epistemes" and their problematic relationship to the actual method of Foucault's intellectual history.[40] I find Barkan's analysis very compelling; nonetheless, Foucault's periodization, his emphasis on population figuring into the very origins of classical political economy, of its vision of the economy as a law-governed natural system, of the doctrine of *laissez-faire,* indeed of its whole theoretical edifice, offers a valuable historiographical lesson.

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[38] Foucault, *op. cit.* p. 345.
[39] *Op. cit.* p, 347.
[40] Barkan, Christopher Steve. "Michel Foucault's Political Economy in *Les Mots et Les Choses*: A Critique of the Linguistic Turn in the Historiography of Ideas." UC Santa Cruz, 2016, p. 11.

The Physiocratic emphasis on the laws of population and the link between economic and population growth was reflected in the great early texts from the Anglophone side of the discipline, as well. While the Anglo-Scottish political economists would make important advances over the Physiocrats, particularly by moving beyond the mystified naturalistic idea that only the agricultural sector was productive, the principle that capital growth was the main driver of population growth would continue to be universally accepted.[41] We can get a direct sense of how central population was as an object of investigation in Anglo-Scottish classical political economy from the late-mercantilist Sir James Steuart's *Principles of Political Oeconomy.* Steuart begins his work by characterizing the political economic approach to the analysis of population, in contradistinction from the more speculative ways in which population had been treated in the Population Controversy, an eighteenth-century debate over whether population of England and Wales had grown since the Glorious Revolution,[42] and the related debate over whether the modern or the ancient world was more populated—a debate to which both Montesquieu and Hume

[41] Brewer, Anthony. "The Concept of Growth in Eighteenth-Century Economics." *History of Political Economy* 27, no. 4 (December 21, 1995): 609–38. Charbit, Yves, and Arundhati Virmani. "The Political Failure of an Economic Theory: Physiocracy." *Population (English Edition, 2002-)* 57, no. 6 (2002): 855–83. Eltis, Walter. *The Classical Theory of Economic Growth*. London: Macmillan, 1984, p. 10. Samuelson, Paul A. "The Canonical Classical Model of Political Economy." *Journal of Economic Literature* 16, no. 4 (December 1, 1978): 1415–34. Spengler, Joseph J. "Adam Smith on Population Growth and Economic Development." *Population and Development Review* 2, no. 2 (June 1, 1976): 167–80.———. "Adam Smith's Theory of Economic Growth: Part I." *Southern Economic Journal* 25, no. 4 (April 1959): 397.

[42] Glass, D. V. "The Population Controversy in Eighteenth-Century England. Part I. The Background." *Population Studies* 6, no. 1 (July 1, 1952): 69–91.

contributed. “The multiplication of mankind,” Steuart writes, “has been treated of in different ways; some have laid out tables to show the progression of multiplications, others have treated the question historically. The state of numbers in different ages of the world,” he continues, “or in different countries at different times, has been made the object of inquiry.” Steuart then explains that the object of his investigation will be different. His goal “is not,” he maintains, “to decide nor even give my opinion on the matter; far less to combat the arguments advanced on either side [i.e. the sides of these ‘controversies’].” Rather, he says, “I am to consider the question under a different point of view; not to inquire what numbers of people were found upon the earth at a certain time, but to examine the natural and rational causes of multiplication. …”[43] From here, every single subsequent chapter of the first volume of his massive work treats one or another aspect of population in relation to economic growth and development. It is this focus on the natural and the rational that, indeed, characterizes classical political economy’s treatment of population from this point forward. Just as Smith’s system of natural liberty was grounded in nature and reason, so too, for the classical political economists, the laws of population were thought to derive from the nature of production and distribution, as such, whose laws men could learn, and indeed tamper with, but not change.

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[43] Steuart, James. *An Inquiry into the Principles of Political Oeconomy: Being an Essay on the Science of Domestic Policy in Free Nations. in Which Are Particularly Considered Population, Agriculture, Trade, Industry, Money, Coin, Interest, Circulation, Banks, Exchange, Public Credit, and Taxes*., 1767. Andrew Millar, and T. Cadell, eds. Internet resource, pp. 17-18.

It should also be noted that the imbrication of population within classical political economic thought may also be explained by the fact that classical political economy, as David McNally argued, was in no small part a discipline devoted to understanding agricultural production, specifically the production and distribution of food.[44] Malthus is often credited with the idea that human populations are limited only by the means of subsistence, but it is of course unlikely that any serious social and political thinker could have failed to see that people need to eat to survive, and that with unlimited means of subsistence population would rise rapidly, even without limit. Malthus of course famously believed that population growth was geometric, while growth of means of subsistence only arithmetic. As Marx claimed, however, this was a judgement for which there is no basis whatsoever, "fished purely out of thin air."[45] In later editions of the *Essay* Malthus actually drew back from his insistence upon this relationship. And here, as Edwin Cannan observed, the result is that the whole argument of the first *Essay,* with its dire predictions of a world on the brink of starvation, "falls to the ground."[46] For without Malthus' famous geometrical and arithmetical ratios between population growth and growth of food supply, there was no way to say for certain that population would in fact outrun subsistence.

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[44] McNally, *op. cit*. See also, Schabas, Margaret. *The Natural Origins of Economics*. Chicago, Ill.: University of Chicago Press, 2007; and Wood, Neal. *John Locke and Agrarian Capitalism*. Berkeley: University of California Press, 1984.
[45] Marx, *Grundrisse,* p. 606.
[46] Cannan, Edwin. *A History of the Theories of Production and Distribution in English Political Economy from 1776 to 1848*. 3rd edition. P.S. King & Son, 1924, p. 143-144.

Well before Malthus it was an established principle of political economy that humans would multiply very rapidly, if subsistence allowed. As the eighteenth-century late mercantilist political economist Richard Cantillon colorfully expressed it, "Men multiply like mice in a barn if they have unlimited means of subsistence."[47] However, it is of course the case that neither in nature nor society are means of subsistence unlimited. Thus, classical political economists saw in the relationship between subsistence and population a natural, almost mechanical mechanism of regulation at work. A quarter century after Cantillon, Steuart, employing such a mechanical metaphor, described humankind's relationship to means of subsistence thusly:

> Thus the generative faculty resembles a spring loaded with a weight, which always exerts itself in proportion to the diminution of resistance: when food has remained for some time without augmentation or diminution, generation will carry numbers as high as possible; if then food come to be diminished, the spring is overpowered; the force of it becomes less than nothing, inhabitants will diminish, at least, in proportion to the overcharge. If, upon the other hand, food be increased, the spring which stood at 0, will begin to exert itself in proportion as the resistance diminishes people will begin to be better fed; they will multiply, and, in proportion as they increase in numbers, the food will become scarce again.[48]

These observations were not really discoveries of classical political economy, however; they were simply background assumptions. For thinkers like Cantillon and Steuart, and their contemporaries and successors (including Malthus), it may have

[47] Cantillon, Richard. "An Essay on Economic Theory." Text. Mises Institute, August 18, 2014, p. 93.
[48] Steuart, *op. cit.*, p. 26.

been obvious that populations grew and declined in response to the availability of the means of subsistence. Crucially, however, it was just as obvious that human beings do not have unmediated access to these means of subsistence. Moreover, the classical political economists were not ecologists. As political economists, as observers of civil society and its blossoming capitalist economy, it was clear to them that the mediating link between human populations and their means of subsistence was, above all, employment. It is the capital-wage-labor relation, then, that is the linchpin of the whole of the discipline's population theories.

How was this process conceived? According to what demographic historians refer to as the Western European marriage pattern, marriage in the societies inhabited by the classical political economists had long been regulated by economic opportunity for young people. In contrast to much of the rest of the world, where marriage tended to be early and universal, marriage in Western Europe appears to have been, in a statistically significant number of cases, restricted to economically self-sufficient individuals. For the classical political economists, for whom savings was identical to investment, accumulation of capital stock led directly to increased labor demand. So as capital stock grew, so too did demand for labor. This allowed more young people to marry, and because these were societies in which contraception only existed in rudimentary forms, marriage led to family formation and population growth.

Historian of economic thought Anthony Brewer describes the basic theoretical construction in the following terms. Most of the classical political economists,

Brewer explains, "thought of population as endogenous factor. Any excess of population over the number the system can support, is soon eliminated by increased death rates or deferred marriage and hence reduced birth rates. Economic growth is associated with population growth, according to this view, because it allows population to expand, and because population growth is needed, in its turn, to allow the workforce, and hence output, to expand. Population was routinely treated as an index of economic success, so comments on population in eighteenth-century writings can be taken as evidence of opinions about [economic] growth."[49] Adam Smith put it more simply. "The demand for men," Smith claimed, "like that for any other commodity, necessarily regulates the production of men."[50] The upshot, as Charbit explains, is that "The level of production regulates the size of the population, and the adjustment takes place in the labor market through the wage rate."[51] The whole system of economy-population-society was essentially conceived of as a system of physical elements—land, labor, capital-stock—that, in the absence of growth in capital or extension of arable land (which, eventually, amounted to the same thing), tended automatically to adjust, via natural feedback mechanisms, to an equilibrium level.[52]

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[49] Brewer, Anthony. "The Concept of Growth in Eighteenth-Century Economics." *History of Political Economy* 27, no. 4 (December 21, 1995): 609–38.
[50] Smith, *op. cit.* p. 98.
[51] Charbit, "The Political Failure of an Economic Theory: Physiocracy." Habakkuk, H. J. "English Population in the Eighteenth Century." *The Economic History Review* 6, no. 2 (January 1, 1953): 117–33.
[52] Mayr, Otto. "Adam Smith and the Concept of the Feedback System: Economic Thought and Technology in 18th-Century Britain." *Technology and Culture* 12, no. 1 (1971): 1–22. Samuelson, *op. cit.*

While concern over the possibility of economic crisis (crises of underconsumption), would not enter into classical political economy's economic vision until the early nineteenth century, there was nonetheless an inherently pessimistic dimension to the economic-population growth theory developed by the classical political economists—irrespective of whatever crisis tendencies may have been glimpsed by "underconsumptionist" thinkers like Sismondi, and Malthus himself. The classical political economists believed that in order for wages for the propertyless laboring classes to be over "subsistence" levels, it was necessary for economic growth, which amounted to growth of stock, to drive demand for labor over its supply. This would raise wages as employers bid for workers. In the absence of growing demand for labor, on the other hand, it was assumed that competition amongst workers for jobs would tend to drive wages down to a subsistence minimum, necessary for the perpetuation of the laboring class. This subsistence minimum had a social dimension—i.e. contrary to some interpretations, it was not conceived of as a physiological minimum—but the stationary equilibrium condition that gave rise to such a minimum wage was certainly imagined by many thinkers to be a sub-optimal condition for the laboring class.

The problem, however, was that it appeared that, perhaps, such a stationary condition would one day be inevitable. For economic growth drove population growth, so that every increase in demand for labor, which raised wages, was, over a period of time, met by an increase in supply. This was a particularly pressing problem for these thinkers, as E.A. Wrigley has argued, because they understood that the

resource base of their societies was limited by arable land and soil fertility. A growing population would necessarily push agricultural cultivation outward. The fact that arable land was obviously limited meant that such expansion would necessarily begin to encroach upon ever more marginal land, until it eventually reached the ultimate horizon, the zero margin of return, defined by parcel of land where labor inputs just covered crop output. This was the limit past which growth would no longer be possible. Here is Wrigley's description of the problem:

> It was a defining characteristic of all preindustrial economies that they were negative feedback systems. Movement away from an equilibrium relationship between the main elements of their economic and demographic systems tended to provoke changes that restored the balance. In particular economic growth, if long sustained, produced increasingly severe problems associated with a rising intensity of land use. Thus, even though important sectors of the economy might be able to secure increasing marginal returns … the economy as a whole could not long tread a positive feedback path…. At some stage pressure on the land would entail such severe difficulties in such a substantial proportion of the economy that negative feedback would prevail in its functioning as a whole.[53]

There has in fact been much debate amongst historians of political economy as to whether or not the classical political economists really believed that the dynamics that Wrigley describes would actually drive society toward a "stationary state." As we will see in chapter 2, while Adam Smith and others certainly indicated that it was the

[53] Wigley, E. A. "The Limits to Growth: Malthus and the Classical Economists." In, Teitelbaum, Michael S., and Jay M. Winter, eds. *Population and Resources in Western Intellectual Traditions*. Cambridge; New York: Cambridge University Press, 1989. See also, Wrigley, "Malthus on the Prospects for the Labouring Poor." *The Historical Journal* 31, no. 4 (December 1, 1988): 813–29.

case that some societies were stationary, it is not as clear as Wrigley suggests that these thinkers believed that such a condition was inevitable.

Formidable scholars have taken positions on both sides of this issue.[54] However, it is beyond doubt that such a condition, in the growth theory of the classical political economists, was at the very least conceivable. For it was theoretically possible, and the growth models of the classical economists pointed clearly to this possibility: that a point would be reached where population pushed up to the limits of arable land, and where a nation's economy was, in Smith's phrase, "fully stocked," all opportunities for profitable investment having been exhausted. Here, living conditions would be bleak indeed for the labor force, unless this class of people began to exercise procreative restraint, keeping the labor markets from saturation, and thereby propping up wages.

This was the source of the classical political economists' idea that only the poor themselves, by curtailing their sexual appetites and natural tendency to reproduce, could keep their numbers low enough to prevent wages from settling at a low-subsistence minimum.[55] This question of the ultimate destination of civil society,

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[54] Heilbroner, Robert L. "The Paradox of Progress: Decline and Decay in The Wealth of Nations." *Journal of the History of Ideas* 34, no. 2 (April 1, 1973): 243–62. Berg, Maxine. *The Machinery Question and the Making of Political Economy 1815-1848*. Revised ed. edition. Cambridge: Cambridge University Press, 1982. Hollander, Samuel. "On the Interpretation of Ricardian Economics: The Assumptions Regarding Wages." *The American Economic Review* 73, no. 2 (May 1, 1983): 314–18.

whether towards a stationary state or in the direction of a gradual acquisition amongst the laboring classes for commodities that would give them a taste for higher living standards and the capacity to exercise "prudence" in their marital decisions, in turn subverting the tendency to plow wage gains into increased family size, will be examined in the second chapter.

This brief account shows the extent to which the classical political economists' whole project was deeply concerned, indeed inseparable from, questions of population and living standards. Moreover, as I have highlighted, the classical political economists' conception of these phenomena was thoroughly socio-naturalistic, with wealth and population determined by a physical system of factors of production, within which social norms and mores worked to regulated marriage and procreation. We might even say that population, in this conception, was regulated by the same Invisible Hand that governed the economic metabolism of civil society and mediated the tensions and contradictions between sympathy and self-interest in this dynamic mode of social life. It is this classical political economic conception of civil society's socio-natural laws of population and living standards, and the importance of Karl Marx's critique of classical political economy for grasping the ideological foundations, theoretical problems, limitations, and development of this social vision, as well as Marx's own reconceptualization of the relationship between capital and population, that form the terrain of my study.

I.3. Marxian Theory and Method of the Study

Marx argued that classical political economy was grounded in an ideological vision of the natural, universal, and transhistorical basis of capitalist production. This ideology, he suggested, equated capitalist production with production as such, failing to account for its social and historical specificity. Practically none of the discipline's major thinkers, Marx contended, were able to grasp that the capitalist mode of production is a unique, historically specific social form of economic activity, a form which had not always existed, not even *in nuce,* in the past, nor, at the time he was writing, in any but a relatively speaking rather small fraction of the globe. Rather than seeing in capitalist production a historically specific "mode of production," Marx argued that the classical political economists' mystification and naturalization of capitalism and capitalist property was the result of an ideological mystification which conflated capitalist production "production as such." That is to say, capitalist production was, for the classical political economists, simply an expression, an actualization of human beings' natural need to produce things to meet consumption needs and their tendency to organize this intercourse with nature rationally, and in as efficiently a manner as natural conditions would allow.

The object of this universal human activity was, as far as the classical political economists could discern, the production of "wealth," in the form of objects of consumption, which were necessary for sustaining life, for enhancing it, quantitively and qualitatively. For the classical political economists, production, insofar as it is always and everywhere at bottom the same, or at least occurs on the basis of the same universal need humans have to interact with nature in order to live,

must take place because people need the products of production to survive, poorly or well. This was, they believed, the fundamental driving end of production as such, whether in their own society, or anywhere else.

It was this vision that drove Adam Smith to claim that "Consumption is the sole end and purpose of all production…. This maxim is so perfectly self-evident that it would be absurd to attempt to prove it."[56] The idea put forward by Smith, and adopted by his disciples, that "consumption is the sole purpose and end of production," was grounded in a concept of what it was that was being produced: "wealth," "wealth in general." As such, it completely fails to capture anything distinct in the real, concrete, socially and historically determinate forms of wealth in a capitalist society. For, as Patrick Murray contends, wealth is a "poor concept," poor precisely "because it bleaches out social form."[57] The overly generic, empty conceptions of wealth and production, Marx would argue, thus failed to grasp the social-form that wealth actually takes in a capitalist society.

Thus assuming that the form of economic activity that they were witnessing in their own society was simply a highly elaborated and evolved, maximally rational and relatively free mode of human beings' intercourse with nature in general, the classical political economists could not understand, Murray contends, "the simple and profound lesson of historical materialism: there is no production in general; production always has a specific social form and purpose, and the form and purpose

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[56] Smith, Adam. *An Inquiry Into the Nature and Causes of the Wealth of Nations, Volume 2*. Indianapolis, Ind.: Liberty Fund, 1982, p. 660.
[57] Murray, Patrick. *The Mismeasure of Wealth,* pp. 294-295.

of production matter in many ways."[58] In the historical materialist conception of Marx and his followers, the social form and purpose of production are determined not in the transhistorical nature of the relation between rational human beings and the earth, nor in the general human activity of economic production, i.e. in "production in general." Rather, the form and purpose of production arise out of and are grounded in determinate social property relations. The latter give rise to and structure distinct, determinate economic dynamics and imperatives—imperatives which, crucially, determine the economic behavior of the owners of property just as much as they do the lives and options of the propertyless.

One of Marx's most important discoveries, an insight which allowed him to analyze the dynamics of accumulation and crisis tendencies of capitalism with an acuity that the classical political economists lacked, was that Smith and his successors were wrong their understanding of the goal of production, and indeed even in their understanding of what, in the capitalist mode of production, is being produced. To take another example from Adam Smith, his *An Inquiry into the Nature and the Causes of the Wealth of Nations* begins with the claim that "The annual labor of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes." On the other hand, Marx begins *Capital* with the claim that "The wealth of societies in which the capitalist mode of production prevails appears as an 'immense collection of commodities.'" It is dangerously easy to miss the significance of this distinction. It lies in the fact that, for

[58] *Op. cit.* p. 1.

Marx, Adam Smith's claim is indeterminate, and starts his whole enterprise off on the wrong conceptual footing. This is because, like "wealth in general," "necessaries and conveniences of life" is a pseudo-concept, with no actual social or historical content.

Consumption, in a capitalist society, is in fact not the goal of production, nor is it the case that capitalist society produces "necessaries and conveniences." These concepts only appear to describe the underlying phenomena which are their object. In reality, they fail to grasp the historically and socially specific form of what it is that capitalist production produces, and the socially specific purpose of commodity production. Of course, consumers buy the goods produced by capitalist firms; and if these goods are consumption goods, the consumers consume them. But this does not in any way equate to the proposition, nor is it sufficient to establish the proposition, that consumption is the end and purpose of production. On the one hand, many of the goods produced in a capitalist society are not consumption goods at all. For under the capitalist mode of production the means of production are also produced capitalistically, that is, for the purpose of turning a profit. On the other hand, even when the goods in question are consumption goods, in which case capitalist firms produce such goods because it is believed that there is sufficient demand for them, i.e. that they will be purchased, this does not mean that the reason that these firms produce is to satisfy consumption. Here again, their production is driven by the profit motive, a systemwide imperative established within the context of the social forms of the capitalist mode of production.

The classical political economists' mystified idea that production was production of wealth in general, and that this production was driven by the need that people have to consume, blinded them to the socially specific form and purpose of production that grounds capitalism, determining, essentially, what it is. In capitalist society, the sale of commodities is not undertaken for the purpose of consumption, Marx argued, but rather takes place in order to produce and realize surplus value, in the form of profit. Capitalist society—that is a society in which the "capitalist mode of production prevails"[59]— is driven by the imperative to produce wealth in the socially specific form of commodities, which themselves are only produced in order to be sold, and this for the express purpose of realizing profit in the form of money. Production, in a capitalist economy, is only undertaken if this goal can be realized—or if the owners of capitalist property believe that there is a reasonably good chance that it can. If owners of capital do not believe this goal is achievable, then, indeed, production does not take place. This is a system wide imperative, and as Marx developed his critical theory of capitalism, it would become more clear that it is disembodied capital, not even the motivations of individual capitalists, much less the general human need for provisioning, which is the subject of the process of production. In Marx's economic theory, in contradistinction to the theory of the classical political economists, it is capital that "calls the tune."

[59] Marx, Karl. *Capital: Volume 1: A Critique of Political Economy*. Reprint edition. London; New York, N.Y: Penguin Classics, 1992, p. 125.

The classical political economists were of course not so blind to the imperatives of the capitalist mode of production as to be wholly unaware that the individual goals of individual capitalists or owners of money was not solely to produce in order to meet people's needs, but also to make money for themselves. That people were motivated by the prospect of making money, or of making money from money, was a fact of social life that could not have been lost on the classical political economists, or any sensible social thinker. Smith's famously observed that "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but own self-interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our own necessities, but of their advantages."[60] This understanding of the ultimately individualistic ground of society did not, however, upset his dictum that consumption is the aim of production. It was rather the case that for Smith, the miracle of civil society lay in what was being accomplished behind the backs of the individualistically motivated economic activity of its members. This quasi-teleological conception was inseparable from the classical political economists' belief that capitalism was not a socially and historically specific form of economic life, but simply the natural outcome of the human capacity to arrange the provisioning process, the production of wealth in general, in a rational manner. Civil society was both the field in which this rational pursuit of self-interest took place and its historical result.

[60] Smith, *Wealth of Nations, V. 1,* pp. 26-27.

As a result of this grounding ideological vision, the classical political economists encountered grave difficulties in grasping and working out the implications of the historically and socially specific nature and driving dynamics of capitalist society, as it actually exists. As Moishe Postone argued, their inability to grasp capitalism as a socially and historically specific mode of production was reflected in the classical political economists' use of formal, generic, naturalistic analytical categories—e.g. value, labor, property, exchange—that were simply unsuited to grasp capitalism's actual laws of motion, driving developmental logics, and crisis tendencies. For Postone, the basic problem any analysis of capitalist society faces is the construction of adequate analytical categories. "If," Postone explains, "the fundamental categories of [a] critique (value for example) are to be considered critical categories adequate to capitalist society they must express the specificity of that society."[61] Working from categories, which from the outset had been constructed under the presupposition of their universal, transhistorical applicability to the analysis of human beings' rationally organized intercourse with nature, classical political economy was unable to develop and unfold a set of more concrete economic categories adequate to the task of analyzing and understanding the dynamics of capitalist society, as it actually existed. The result of this conceptual and categorial confusion, Postone maintains, was that "the objects of investigation of political economy [were] the mystified forms of appearance of value and capital." [62] For,

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[61] Postone, Moishe. *Time, Labor, and Social Domination: A reinterpretation of Marx's critical theory.* Cambridge: Cambridge UP. 1993, p. 89.
[62] *Ibid.*

rather than investigating capitalist society in a manner that would have led them to the "determinate abstractions" of Marx's analysis of the value-categories and their derivatives—i.e. the commodity, value, surplus value, labor-power, and capital—from which any theory of capitalist society would have to proceed and unfold, classical political economy was transfixed by the forms of appearance of capitalist society, employing a set of categories that were derived from and were in fact instances of these mystified forms of appearance themselves.

This Marxian theoretical framework serves as the basis for my contention that classical political economy's analysis of the relationship between production, population, and living standards, a problem that was indeed one of the discipline's primary "objects of investigation," was caught in precisely what Postone refers to as "the mystified forms of appearance of value and capital." Postone's claim, like those of Murray, Clarke, and Marx himself, grounds the overarching argument of this study, which is that classical political economy's mystified, naturalistic vision of capitalist society, and its related inability to grasp and theorize the historical and social specificity of capitalism, can be discerned in the discipline's population theories. These theories, I argue, naturalized the capital-wage-labor relation, conceiving of this historically specific social relation as the natural form of the mediation between population and its means of subsistence. This naturalization, furthermore, was itself the result, I shall contend, of the thing-like objectivity of the commodity labor-power. That is, it may to a degree be explained as an instance of the phenomenon of "commodity fetishism," through which the social relations that

ground the production and exchange of commodities—exchanges regulated by value, which is itself, for Marx, a social relation—appear reflected in the thing-like objectivity of commodities themselves. For as I will examine in the second chapter, the classical political economists' theories of population and living standards were indeed able to grasp that in a capitalist mode of production, in which labor-power is a commodity, and in which the propertyless laboring class is only able to gain access to their means of subsistence via employment, population itself is bound up in the thing-like determinations of the commodity form.

The classical political economists were able to register this fact of capitalist society, but they were unable to understand its basis and ground, in the historically specific, determinate social relations of the capitalist mode of production. As was the case with their economic analysis of capitalism generally, the socio-naturalistic mystifications of the classical political economists' theories of population and living standards would render these theories inadequate to the task of theorizing the nexus between population and economic development in capitalist society, because it blinded them to the contradictory nature of the relationship between capital and wage labor, a contradiction that Marx believed to be one of the defining and central features of a capitalist society.

Marx's own critical theory of capitalism, by contrast, advanced a radically new understanding of the relationship between population and economic development in a capitalist society. Marx's concept of capital and theory of a capitalist mode of production not only definitively put to rest the equilibrium fantasies and socio-

naturalistic mythologies at work in classical political economy's population theory; as profoundly, his theory of the capitalist mode of production allowed Marx to construct something like a meta-demographic theory. This theory was grounded in a radical critique and reconceptualization of the old classical political economic theories of population, and was able to situate the phenomenon of surplus populations—which the classical economists eventually came to believe resulted from the poor reproducing excessively, or failing to respond wisely in their sexual and procreative decisions to market signals for demand for labor—within a theory of the capitalist mode of production.

In addition to its grounding in the Marxian critique of classical political economy and Marx's critical theory of the capitalist mode of production, this study of course also relies on the works of the classical political economists, themselves. Classical political economy, a term coined by Marx, represents a very large body of work, spanning almost two centuries. Its early representatives from the seventeenth century include Sir William Petty, Pierre de Boisguilbert, and John Locke; it reaches its period of classical synthesis from the mid-eighteenth century, with the works of the French Physiocrats and Adam Smith, to the early nineteenth-century, in the figures of Ricardo and Malthus, among others. Its twilight is the middle of the nineteenth century.

The imposing number of texts in this tradition makes it all but impossible for a normal reader to cover the whole of this terrain, especially in the work of a dissertation. My method of selection of texts has largely followed Marx's own,

though I of course address far fewer texts than he did. The principle texts I have drawn from are Locke's *Second Treatise of Government,* Richard Cantillon's *Essai sur la Nature du Commerce en General* (somewhat unfortunately translated, in the edition I've used, as *An Essay on Economic Theory*), AJM Turgot's *Reflections on the Formation and Distribution of Riches,* Steuart's *Principles,* Smith's *Wealth of Nations,* Ricardo's *Principles of Political Economy and Taxation,* Malthus' various editions of the *Essay on the Principle of Population* and his *Principles of Political Economy,* Nassau Senior's *Two Lectures on Population,* and J.R. McCulloch's cumbersomely titled *A Treatise on the Circumstances which Determine the Rate of Wages and the Condition of the Labouring Classes, Including an Inquiry into the Influence of Combinations.* The rationale for this selection is that almost all of these texts were integral to Marx's critique of classical and vulgar political economy, and furthermore, they all, with the exception of Locke's *Second Treatise,* treat the problem of the nexus of economy, population, and the living standards of the propertyless laboring classes head on.

Not only do these texts treat this question, they do so in a systematic way, such that, over the period of history represented by these texts, it is possible to reconstruct, as I did above, a theoretical system of population and living standards that is representative of the tradition, and its development. Again, despite the persistence of historiographical accounts that focus unduly on Malthus' interventions, as a turning point in classical political economy's treatment of population, a perusal of these texts will clearly reveal a striking degree of consistency in the theories of

population developed by the classical political economists across the history of the discipline. Differences lie in only very minor, and rather insignificant, points. Uniting this body of work are five simple ideas. 1. The propertyless population must work for owners of capital in order to survive. 2. Society has established a regulatory principle with respect to marriage, such that young men tend to marry when they have the means, i.e. the employment, which will allow them to support a family. There are, of course, exceptions to this sociological trend. 3. Employment, at sufficient wage levels, will allow the propertyless laboring class to marry, and marriage will, in turn, tend to result in increased numbers of people. 4. Population thus follows on the heels of economic growth, but growth of population, and of the economy, is ultimately limited by the horizon of arable land that can be put into agricultural cultivation. 5. Population growth can thus only be limited if the propertyless laboring class, in response to economic growth, would begin to choose not to marry or somehow begin to become disinclined to marry, or to adopt some measures (though contraception was hardly ever entertained as a potential one of these), to limit fertility within marriage.

Again, with the exception of Locke, most, if not all, of these ideas are expressed by the authors of these texts. Thus, while my selection of texts would not be sufficient if the goal of this thesis were to provide an exhaustive account of population theories advanced across the whole period under examination, this selection is, nevertheless, sufficient, I believe, as a representation of what became the classical theory of population and living standards.

I.4. Chapters

I.5.1. The Ideological Foundations of Classical Political Economy's Population Theory: Property and Propertylessness in John Locke and Adam Smith

In the first chapter I argue that classical political economy's theories of population and living standards were grounded in a socio-naturalistic conception of the capital-wage-labor relation, and of employment, as the natural form of the mediation between the population and its means of subsistence. This conception of population, I suggest, was implicit in liberal social thought's conception of property itself, a conception which I trace back to Locke. For Locke, property was the natural outcome of man's need for constant intercourse with nature, the very need to incorporate nature into himself in order to live. This conception of property evacuated the social form of property of capitalist society, naturalizing it. Moreover, I suggest that implicit in Locke's conception of private property is a naturalistic conception of propertylessness, and of employment as the natural form of the mediation between the propertyless and their means of subsistence.

I then argue that this conception of the mediation, via employment, of the propertyless with their subsistence needs is formalized and given an economic-theoretical character in the work of Smith. This formalization occurs, I show, through the development of Smith's concept of capital, according to which all capital was laid out in the hiring of propertyless laborers. This conception, however, was part of an error in Smith's analysis, which entailed the omission of constant capital in the total reproduction of the annual product of society. This was the basis for Smith's dictum

that all that is annually produced is annually consumed, an idea that would go on to influence Ricardo and his followers. I interpret Smith's omission of constant capital in his conception of reproduction as a result of the relative absence of machinery used in production during his lifetime. Smith's point, I maintain, despite his error, was that in the production of all of the products of society, including means of production, laborers are always hired as capital is advanced. This was the basis of the idea that as capital grew, so too would demand for labor, and in turn population.

I then finish this chapter with a brief recount of the process of "primitive accumulation," the dispossession of the English peasantry, and the formation of exclusive private property. These were developments upon which the very establishment of capitalist agriculture and the capitalist mode of production depended. I argue that Lock's and Smith's naturalizing discourses of property, and of employment as the natural form of the mediation between the propertyless and their means of subsistence, operate as a discursive and ideological erasure of the political violence which was essential to the founding of the social relations of the capitalist mode of production.

I.5.2. The Laboring Poor and the Future of Civil Society: Commodity Fetishism and Classical Political Economy's Historical Materialism without Social Form

In the second chapter I further examine and attempt to account for, the socio-naturalistic basis of, and the character of the futurology entailed in, the classical

political economists' theories of population. I argue that the classical political economists' analysis of population was grounded in a tradition of social theory which I refer to as "historical materialism without social form." This "ahistorical historicism," as I also refer to it, was, *qua* historicism, attuned to problems of progress over time, and indeed to the ways in which the material foundations of life play a major role in this progression, and are reflected in culture and national character. Enlightenment social thinkers and early political economists were engaged in a science of man that had as one of its objectives, as Donald Winch put it, to explain the "origins and development of civil society from 'rudeness to refinement,' by means of a form of history in which universal psychological principles and socio-economic circumstances played twin illuminating roles." [63] However, I argue that this method of historical analysis neglected to account for the historical and social specificity of capitalist social property relations, by naturalizing the latter, and attributing their coming into being as the result of a natural process of human beings progressing towards the most rational form of organizing their economic intercourse with the world: i.e. capitalism. This naturalization of capitalist social relations, I argue, had profound implications for classical political economy's development of theories of population and living standards, for these theories were established on the

[63] Winch, Donald. *Riches and Poverty: An Intellectual History of Political Economy in Britain, 1750-1834*. Ideas in Context 39. Cambridge [England]; New York: Cambridge University Press, 1996, p. 20.

foundations of an ideological conception of capitalism as the result of nature and human reason.

I attempt to account for this character of classical political economic thought, and its implications for their population theories, through the interpretive framework provided by Marx's theory of commodity fetishism. Here, I suggest that capitalist social relations appeared natural to the classical political economists precisely because capitalism, and its webs of commodity exchange, present themselves as objective and thing-like. The theory of commodity fetishism, that is, offers an explanation for why and how the social relations which stand behind relations between commodities are concealed, with the insight that they are concealed by the very thing-like objectivity that these social relations establish among commodities.

Building from this argument, I further argue that the classical political economists' theories of population registered this thing-like objectivity of the commodity form by grasping the commodification of what Marx called labor-power. Marx's critique of classical political economy would thus suggest that the classical political economists were not wrong *per se* that population and living standards—at least in a capitalist society—are in fact determined by employment, i.e. by capital's demand for labor. This is because under capitalist social relations it actually is the case that the propertyless laboring class survives only through their ability to sell their capacity to work. This objective fact gives what appears to be a thing-like character to human beings themselves, insofar as it appears that humans, and their numbers, are determined by their ability to meet subsistence needs through the sale of their labor

power. It is demand for labor, of course, which regulates the ability of the class of the propertyless to engage in this sale, which is to say, their ability to participate in the capital-wage-labor relation.

The point, therefore, of a Marxian critique of classical population theory, I suggest, is not that the classical political economists' understanding of the need for the propertyless class to sell their labor and indeed the dependence of their very existence and the existence of their children upon their ability to do so was wholly wrong. For again, this is inherent in the capital-wage-labor relation. The point, rather, is that classical political economy naturalized the capital-wage-labor relationship and failed to account for its grounding in social forms, which were historically and socially unique.

However, while the classical political economists' theories of population registered this objectivity of the relation between population and employment, there were, I argue, further consequences of their naturalization of this relation and their inability to understand its ground and social basis. This is particularly apparent, I demonstrate, in the dualistic character of their speculations on the future of civil society. On the one hand, the classical political economists believed that because population growth followed on the heels of economic growth, society could, due to the inherent limitations of arable land, terminate in a no-growth, low-wage stationary state. This, if it occurred, would be the end of economic history.

On the other hand, it was imagined that perhaps the poor themselves, by exercising sexual restraint and acquiring more refined consumer tastes, could ensure

that their own numbers did not saturate labor markets. This, it was speculated, would ensure that the propertyless class received a relatively high wage, and draw a wider range of "conveniences" into the basket of goods which society deemed part of the subsistence wage. The further implication was that sexual restraint and adoption of economic rationality amongst the laboring poor would keep society from progressing toward the low-wage stationary state.

In the first case, I argue, the classical political economists simply presupposed the existence and persistence of the capital-wage-labor relation as the natural form of the mediation between population and its means of subsistence. It was never imagined that the termination of society in the stationary state would disturb the social basis of the economy; for, indeed, this basis was not conceived of as social, but as natural. In the second case, I argue that in its initial phases the classical political economists' ideas that the poor might naturally acquire consumer tastes and inclinations resulting in lower fertility rates paralleled an eighteenth century discourse on the effects of luxury on the health and stability of civil society. However, I also contend that the idea that the laboring poor, through sexual restraint and the acquisition of consumer tastes, could regulate their own numbers, bringing them into permanent balance with labor demand, reflected the classical political economists' deep-seated inability to grasp the dynamic nature of the capital-wage-labor relation and the fact that employment in a capitalist economy is subject to the dynamics of accumulation and crisis tendencies of capitalism. This second line of thought, I show, achieves its nadir, its most apologetic character, in the work of McCulloch, who

argued that if the poor could not manage to control their own numbers through sexual restraint, maintaining themselves in equilibrium with labor demand, then only they could be blamed for their poverty.

I.5.3. Marxism and Population: From Engels' Radical Political Economy to Marx's Theory of the Capitalist Mode of Production

In the final chapter I address critical responses to orthodox political economic theories of population and living standards, concluding with an analysis of the development of historical materialism's engagement with the population question. The relationship between capital accumulation, population, and living standards was of paramount significance in both Marx's and Engels' respective and joint efforts to understand and theorize the dynamics of the capitalist mode of production. However, while their interest in this constellation of problems is mutual, I shall identify a significant discontinuity in their respective treatment and understanding of it.

I begin with an analysis of the "equilibrium fantasies" of orthodox classical political economy, and provide a brief account of the challenge to the orthodox school posed by the critical political economists John Barton and Simonde de Sismondi.
I then turn to two of Engels works, written successively in 1843-1844. These are the "Outlines of a Critique of Political Economy," and *The Condition of the Working Class in England.* Here, I show that Engels develops a concept of permanent surplus populations, the "reserve army of labour." This account radically breaks with, and effectively destroys, the classical political economists' naturalization of the

relationship between population and employment. However, Engels' account, in this early stage, while extremely acute, in nonetheless limited. Building upon the work of Simon Clarke, I argue that in Engels' early works his account of the formation of the efficiency gains of capitalist production and the formation of surplus populations in the form of a "reserve army of labour" is not grounded in an understanding of the foundational social forms of capitalist society. Engels' idea that capitalism is grounded in private property and the competition to which it gives rise establishes the position from which he explains the formation of surplus populations.

Engels succeeds in providing a very acute description of this process, but nonetheless fails to ground this description in an explanation of capitalism's social basis and ground. I show that one of the symptoms of this shortcoming of Engels' imprecise account of the grounding social forms of capitalist production may be seen in his explanation of the origins of the proletariat, which he conceives of as having been called into existence by machinery. This is an historiographical assessment that will be revised significantly by Marx, in his account of capitalism's agrarian origins, its emergence in the English countryside in the early modern period.

I conclude the study with a brief examination of Marx's method of analysis of population, in order to demonstrate its distinctiveness from that of classical political economy, and even from that of Engels. I show that in Marx's critical theory the population and the phenomenon of surplus populations are explained in terms of the grounding social forms of the capitalist mode of production, that is, the commodity form, the value form, and the form of capital. Just as these grounding social forms

served as the point of departure for Marx's theory of the capitalist mode of production more broadly, so too would they serve as the basis of his analysis of population and surplus population. This, I suggest, allows Marx to formulate a theory of the formation of surplus populations which locates the causes of surplus populations much more deeply within the very nature of capitalist production. Whereas in Engels, surplus populations arise as the result of a contradiction between production and distribution—the latter of which, under capitalism, is dominated by private property, the ownership of which determines who get what—in Marx the central contradictions of capitalism are traced back to the form of capitalist production itself. It is here, in the social relations of production, as opposed to in the system of distribution that results from private property, that Marx locates the contradictory relationship between capital and population. The implication is that in order to get beyond a society in which surplus populations persist, more than the abolition of private property would be required. For it is not the domination of private property, but rather a system of production oriented towards the production of commodities, under the domination of the value forms, that gives rise to all of the contradictions of the capitalist mode of production.

Chapter 1. The Ideological Foundations of Classical Political Economy's Population Theory: Property and Propertylessness in John Locke and Adam Smith

1.1. Argument

In this chapter I examine the ideological foundations of classical political economy's socio-naturalistic and transhistorical vision of capitalist property and capitalist production, with the purpose of demonstrating that this conception of property forms the ideological foundation of the discipline's theories of population and living standards. Drawing on Locke's *Second Treatise of Government* and Adam Smith's *An Inquiry into the Nature and the Causes of the Wealth of Nations,* I establish that liberal social thought and classical political economy were grounded in a socio-naturalistic conception of employment, as the naturally occurring mediating link between the class of the propertyless and their means of subsistence. This concept of employment, I argue, has roots in a socio-naturalistic conception of private property—which runs back to the work of Locke—as arising out of the socio-naturalistic character of humankind's relationship to the earth, and as necessary to the development and flourishing of human societies. This conception of private property, I maintain, implies a socio-naturalistic conception of propertylessness and of employment as the natural form of the mediation between the population of the propertyless—which is to say the population, as such—and its means of subsistence.

In advancing this argument I show how this socio-naturalistic conception of employment, as the natural form of the mediation between the propertyless and their means of subsistence is developed in Locke's *Second Treatise* and Smith's *Wealth of Nations.* I begin with Locke's *Second Treatise.* In a close reading of chapter five, "Of Property," I interpret Locke's defense of private property and his socio-naturalistic conception of property as entailing a socio-naturalistic conception of propertylessness. I show that Locke's socio-naturalistic conception of propertylessness is linked to an incipient conception of employment as the mechanism through which the right of the propertyless to live and to obtain the means necessary to do so, i.e. their *suum* claim, is guaranteed.

I then, briefly, turn to Smith's *Wealth of Nations*. Here, I shall argue that Smith formalizes Locke's conception of the relation of private property to propertylessness in a theory of capital, and of the capital-wage-labor relation. For Smith, it was a natural fact of human societies that population was regulated by demand for labor, as we saw in the Introduction. Employment, that is, was the natural link, the natural form of the mediation, between the propertyless and their very means of life. I argue that Smith's theory of capital and employment translated into economic terms Locke's argument that the propertyless would have their natural right to existence guaranteed in commercial society, despite their lack of immediate access to means of subsistence. Smith accomplishes this, I contend, through a concept of capital according to which capital takes the form of physical means of production, advanced, almost entirely, to hire labor. For Smith, the *suum* of the propertyless is

preserved in a society divided into propertied and propertyless precisely because of the fact that the former, the proprietors of capital stock, will necessarily advance their capital investments in the form of stock used to hire propertyless laborers. This conception of the capital-wage-labor relation was essential to the idea, put forward by Smith and further developed by David Ricardo, that the total annual product of society would be fully consumed. This was the linchpin of classical political economy's conception of the economy as a system of physical elements in equilibrium. This ideological vision, I argue, implied a vision of the capital-wage-labor relation as, under normal circumstance, ensuring the employment of the propertyless.

This conception of capital, as laid out for the purpose of hiring labor, would remain part of the orthodoxy of classical political economy up to and even through the advent of the "machinery question." The machinery question, as Maxine Berg has documented, emerged in the early nineteenth century and caused some political economic theorists to fear that the laborer's place in society was being jeopardized by labor-replacing machinery.[64] This problem, which gave rise to the emergence of a "critical" political economy, which registered the contradictions of a capitalist society in which the use of machinery in production was becoming more common and was destabilizing the relationship between capital and labor, will be dealt with in chapter 3. The current chapter—as well as the majority of the next—treats an earlier period,

[64] Berg, Maxine. *The Machinery Question and the Making of Political Economy 1815-1848*. Revised ed. edition. Cambridge: Cambridge University Press, 1982.

in which the relatively undeveloped state of machinery gave little reason to fear that there might be endogenous tendencies in the dynamics of the economy itself that could work to undermine the natural link between property and propertyless, the mediation between the two by employment.

This was the social and historical context in which the classical political economic laws of population were developed. It was a period in which it was still possible to conceive of population as smoothly and straightforwardly regulated by labor demand, in which the capital-wage-labor relation appeared to be established and secured by the very nature of mankind's relation to the earth. I build the case that the classical political economists' laws of population were grounded in this socio-naturalistic conception of property, a conception which led, as a logical corollary, to a conception of propertylessness and to a socio-naturalistic conception of employment as the mediating link between the propertyless and their means of subsistence. In other words, I am arguing that there is a deep ideological link between the concept of property posited by liberal social thought and classical political economy, and its theories of population and living standards. Classical political economy's theories of population and living standards, that is, reflected the discipline's underlying socio-naturalistic vision of property. Grounded in a transhistorical, socio-naturalistic conception of property, capital, and the capital-wage-labor relation, classical political economy's laws of population and living standards were thus absolutized, universalized, and stripped of any historical or social specificity.

It is this socio-naturalistic conception of property and capitalist production that Marx attacked as the grounding ideology, the *ur*-myth, of classical political economy. In contradistinction to the classical political economists, whose work he criticized, for Marx, property, production, and the reproduction of human beings are always tied up in thoroughly social and historical mediations. The mediations between population and its means of subsistence, according to the basic premises of historical materialism, are never natural; they are always, "always already," social and historical phenomena. There never was a time when human beings were asocial, and no population of humans, it would follow, has ever been regulated by a purely natural relation to its means of subsistence. This conception of history—and of population as history—is radically different from the unilinear conception of classical political economy, in which the laws of production, and thus the laws of population, are grounded in nature.

This distinction between classical political economy's historiographical vision, and Marx's historical materialist vision of the social forms which structure modes of production, and which, as such, structure the mode in which populations gain access to their means of subsistence through thoroughly mediated social forms, will frame the concluding argument of the chapter. By naturalizing employment as the mediating link between the population of the propertyless and its means of subsistence, by attributing the specifically capitalist social forms of property to the natural outgrowth of human beings' relationship to the world, the classical political economists contributed, in yet another way, to a depoliticization and obfuscation of

the conflictual nature and history of the social-property relations of capitalism. These social forms include not only capitalist property, but also propertylessness and employment, i.e. the capital-wage-labor relation. This naturalizing depoliticization, I argue, further contributed to classical political economy's ideological erasure of the history of political struggles and violent dispossessions that were necessary to establish these social-property relations—and a class of propertyless laborers—in the first place.

The radical separation between what would become the class of propertyless laborers from their means of subsistence—the process of primitive accumulation, as Marx called it—was not a conflict free, natural process that took place in some pristine natural condition, as Locke, and later Smith, represented it. It was not the result of the psychological disposition of some people to save up their labor in order to employ it as stock, of others who, for reasons that could be attributed to their own predilections and preferences, decided to work for property owners, and of still others who, because they were shiftless and thriftless, had squandered their own natural opportunity to accumulate stock, and in doing so had essentially driven themselves into the position in which they had no choice but to work for owners of property. Contrary to the bourgeois fables implied in the Lockean-Smithian theory of property, the separation of society into a class of propertied and propertyless was the result of social and political struggle, indeed, of civil war. Insofar as the classical political economists attempted to represent the order of society, including the condition of propertyless, as having arisen naturally and rationally out of human beings' laboring

activity in the world, they further obfuscated the true nature of the conflicts that drove the process of primitive accumulation and enclosure.

I am arguing, then, that the classical political economists' theories of population and living standards were constructed upon, were in fact inseparable from and contributed to, this *ur*-myth of the natural and rational basis of capitalist production and the socio-natural basis of the separation of society into owners of capital and propertyless laborers. The theory of property that runs back to Locke implies that employment of the propertyless by owners of property is as natural an arrangement as property ownership itself. Locke and his successors developed a thoroughly socio-naturalistic conception of property, of propertylessness, and of employment. It is this theory of property which is the ground of the classical political economists' socio-naturalistic conception of population, and of employment demand as the natural determinant of living standards and of population growth.

1.2. Locke's socio-naturalistic conception of property and propertylessness

As is well known, in the *Second Treatise of Government* Locke constructed a theory of property based on the argument that humankind's intercourse with the earth in the form of labor naturally leads to, and justifies, private possession, in the form of a use right over the "fruits and beasts" of the earth.[65] Locke further argues that as a result of individual's labor on the land directed towards its improvement,

[65] Locke, John, *Second Treatise of Government*. C. B. Macpherson, ed. Indianapolis, Ind: Hackett Pub Co, 1980, pp. 18-21.

accumulation of land itself is also justifiable and natural. As a result of the development of money it becomes possible for people to exchange the products of their labor for a store of value that will not perish or spoil. The upshot is that, for Locke, even in the state of nature, private possession far beyond what is necessary for the satisfaction of immediate individual needs is not only justifiable but good, and redounds to the benefit for all.

Man's exit from the state of nature—whether this was a real condition that human beings ever actually inhabited, in Locke's estimation, is doubtful, and irrelevant for my argument—is coterminous with the formation of political societies. Here, property no longer has a purely natural basis. As such, it becomes subject to social and political conventions, positive laws which are enacted by the members of political society. Liberal historian of political thought James Tully has argued that with the establishment of the commonwealth, Locke believed that private property, accumulated in the state of nature, would revert to collective ownership. Subject to the positive law of the commonwealth, property, in Tully's interpretation of Locke, would be directed toward the common good. Be this as it may, in what follows, I follow that work of Hont and Ignatieff, and C.B. Macpherson, in arguing that Locke in fact lays the groundwork for a market solution, couched in his vision of the natural basis of property and of a rudimentary exchange society, to the problem of propertyless, a problem which emerges in the state of nature and persists after the establishment of the commonwealth. This solution, I maintain, is to be found in Locke's incipient conception of the capital-wage-labor relation, in which employment

serves as the form of mediation between the class of propertyless laborers and their means of subsistence.

My argument is intended to demonstrate that Locke's theory of man's natural relation to the earth, as one which spontaneously generates private property out of the aggregate and individual needs of individuals to maintain life, via intercourse with the natural world, thus leads to more than a defense of private property. It also establishes an argument justifying the condition of propertylessness, within political society, as arising out of and grounded in natural, valid, and, from the perspective of natural law, justifiable arrangements. For while Locke suggests that appropriation of the earth was initially valid because there was enough land for everyone to make a piece of it his or her own, the earth is also inherently limited; this is a fact that Locke was obviously aware of.

Insofar as Locke's theory of property was intended not only to apply to a natural condition but to a social one, it necessarily had to be able to account for the fact that in a developed civil society—indeed a society such as his own—property in the earth was no longer there for the taking. Here, a class of propertyless laborers—indeed a class comprising the majority of society—would need to have their subsistence needs met via some other manner than access to their own private land. Locke's argument could not have stood or fallen on the continual availability of free waste land in political societies. It had to be able to bear the burden of accounting for the condition of the propertyless and of providing a basis from which the condition of propertylessness could be justified. Tully argues that Locke's argument bears this

burden through a conception of the commonwealth, in which private property, brought under the positive constitutional law of the commonwealth, is directed at the common good. While there are aspects of Tully's reading that I take issue with as I will explain below, his interpretation, on this score, may perfectly well be correct. It does not, however, change the fact that, as I will maintain, Locke's solution to the problem of propertylessness is based on an incipient conception of employment; that is, Locke's solution is, whether he intends it to be or not, a market-based one.

My interpretation extrapolates from Locke's very brief comments on the "day-labourer." The day-laborer makes only scant appearance in Locke's chapter "Of Property." However, I contend that Locke's allusion to this figure, his observation that the English day laborer enjoys a vastly better condition and standard of living than even that of a king in a nation without developed agriculture founded upon landed property, plays a very important role in establishing the justification for the condition of propertylessness, and the ground of this condition in the natural development of property. It is through the figure of the day laborer, I contend, that Locke's argument, typically viewed as one which naturalizes property, lays the groundwork for a socio-naturalistic conception of the condition of propertylessness.

The position of the day laborer in society is of course evidence of the fundamental inequality of modern civil society, a society divided into propertied and propertyless. However, as Hont and Ignatieff argue in their important essay "Needs and Justice in the Wealth of Nations," the fact that the wealth of modern civil society is absolutely contingent upon an inequality in property ownership, and the fact that in

modern civil society the propertyless can expect to be employed by the propertied, and indeed to enjoy standards of living much higher than in more equal, but more primitive societies, served as a powerful justification for this inequality. I argue that Locke's contribution to the solution of the "paradox of modern society," i.e., of "how to enjoy the benefits of exclusive dominion without excluding the propertyless wage-earners from the means of subsistence," grows directly out of his socio-naturalistic conception of property itself.[66] This conception of property, I contend, implies a conception of propertylessness, and of employment as the solution to the problem of propertylessness.

The extent to which property, in Locke's system, can be considered exclusive private property, and the extent to which Locke should be seen as an advocate of capitalism, has been debated, as I will review below. Tully suggests that Locke argued for a communitarian solution to this problem, in a theory of property according to which property, in the political condition of the commonwealth, must have as its ultimate purpose the promotion of the common good.[67] Tully's claims are not without validity, and they merit careful consideration. However, regardless of the restrictions that Locke may have believed that a commonwealth would put on private

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[66] Hont, Istvan, and Michael Ignatieff, "Needs and Justice in the 'Wealth of Nations.'" Hont and Ignatieff, eds. *Wealth and Virtue: The Shaping of Political Economy in the Scottish Enlightenment*. Cambridge [Cambridgeshire]; New York: Cambridge University Press, 1983, pp. 41-42.
[67] Tully, James. *A Discourse on Property: John Locke and His Adversaries*. Cambridge [Eng.]; New York: Cambridge University Press, 1980, pp. 162 & 169, also, chapters 6-7.

property, and the positive laws that he thought a commonwealth would and should enact in order to direct property towards the promotion of the common good, it is nonetheless the case that such considerations do not prohibit Locke's contribution to a socio-naturalistic conception of property; nor did they preclude his construction of an incipient conception of employment as the link between the propertyless and their means of life. Regardless of the extent of Locke's communitarianism, he offers a robust defense and naturalization of private property which, I suggest, is not only sufficient to serve as the basis from which to construct a market-based solution to the problem of the preservation of the *suum* of the poor, but which serves as the foundation of classical political economy's naturalization of property, propertylessness, and employment as the natural form of the mediation of the population of the propertyless with their means of subsistence.

While I am sympathetic to historians such as Tully who have added complexity to stock interpretations which impute to Locke a straightforward defense of capitalist private property, I do not believe that an ideological naturalization of capitalist property, of propertylessness, and of employment as the mediating link between the propertyless and their means of subsistence, depends upon a fully developed concept of capital, a system and method or economic analysis, or a theory of value and distribution. Much less does it depend upon a full-blooded defense of *laissez faire.* Indeed, it does not even depend upon a knowledge of what capitalism is. Nor does it require Locke to have supported everything about what he imagined commercial society to be or prohibit Locke from having suggested that restrictions on

property be put in place. Locke's work in the *Second Treatise* obviously lacks the elements of a theory of value and distribution or a theory of population that would appear in all of the great works of classical political economy. None of these considerations, however, prevents Locke's socio-naturalistic vision of property, his conception of property as the natural outcome of man's labor upon the earth, or what I contend was his naturalization of propertylessness and his incipient conception of employment as the natural mediation of the class of the propertyless from having had a profound influence on the subsequent development of classical political economy. Regardless of Locke's communitarian concerns, his conception of property and propertylessness is, at bottom, grounded in his conception of the very nature of human existence and of man's natural intercourse with the world.

This socio-naturalistic conception of property is of course developed in the famous fifth chapter, "Of Property," of the *Second Treatise of Government*. Locke starts off with a seeming paradox. Scripture has made it clear that the earth was given to men by God to be used *in common.* Yet private property exists and not only does not conflict with natural law but is in perfect harmony with it. How can this be so? Locke's defense of private property in the state of nature begins from the premise that human beings, as animals, obviously need to incorporate the physical world into themselves in order to survive. God gave human beings the capacity to be rational and deliberate in their intercourse with nature. "God," Locke argues, "who hath given the world to men in common, hath also given them reason to make use of it to the best advantage of life, and convenience." It is this caveat, "the best advantage," and

human beings' capacity, through reason, to know what this best advantage is, that is the basis from which Locke will build the argument that accumulation of private property, even property in the land itself, is fully justified by natural law.[68]

Property, in Locke's argument, arises straightforwardly out of the most basic forms of human intercourse with nature, such that it is essentially inconceivable for Locke that human life could exist without private property. The mere act of existence, as far as human beings are concerned, generates private property, and the simplest reflection on the nature of human existence explains what private property is, how it comes to be, and why it is necessary. Locke explains that people have a "use-right" in the earth that derives from the fact that "The earth, and all that is therein, is given to men for the support and comfort of their being."[69] That is to say that the earth is necessary for human beings to stay alive, and human beings have a right to do what is necessary to stay alive. Thus, following the syllogism through, human beings necessarily have the right to make a part of the earth their own; for without this activity, life is impossible.

Locke therefore argues that while "no body has originally a private dominion, exclusive of the rest of mankind, in [the fruits and beasts of the earth] as they are thus in their natural state: yet being given for the use of men, there must of necessity be *a means to appropriate* them some way or other, before they can be of any use, or at all beneficial to any particular man."[70] Appropriation, in other words, is an essential

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[68] Locke, *op. cit.* p. 18.
[69] *Ibid*.
[70] Locke, *op. cit.* pp. 18-19.

condition for the earth to do "any good for the support of … life."[71] Again, for Locke, this right to appropriate the earth is inseparable from the natural right that individuals have, in themselves, simply to exist, as part—and the most important part—of God's creation. For the essential possessions of an individual lie not only in his or her own self, but in the conditions, the subsistence needs, which maintain that self. Thus, the natural right of each to his or her own life and body guarantees a use-right in the conditions which sustain that self, i.e., the earth.[72]

Stephen Buckle explains how this right relates to the natural law concept of the *suum cuique,* i.e., "to each his own," which stipulates that an individual, under the law of reason and the law of God, has the right to himself, and thus to that which is necessary to his survival. "The exercise of the use-right, which is no more than the satisfaction of needs, thereby gives rise to a form of property…. Private property… is the set of extensions to the *suum,* and for this reason private property laws become an essential part of the system of natural justice."[73] Following from Buckle's explanation, we can say that appropriation of the earth, for Locke, has an unshakeable basis in natural law. Since appropriation, for use, entails possession, it then follows, according to this line of reasoning, that possession, property, must exist even in the most primitive conditions, in which landed property was undeveloped and unknown.

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[71] *Op. cit.* p. 19.
[72] Tully, *op. cit.* p. 104.
[73] Buckle, Stephen. *Natural Law and the Theory of Property: Grotius to Hume*. Oxford: Clarendon Press, 1993, pp. 29-30.

We here get a sense of the extent to which Locke's conception of private property is entirely devoid of any conception of social form, any attention to the ways in which property is always deeply related to the specific historical and social contexts which have underpinned property in different societies throughout history. In the "Introduction" to *Grundrisse,* Marx would criticize the classical political economists for naturalizing bourgeois private property. Locke's argument is saturated with this sort of a naturalization of bourgeois social relations. In the early stages of Locke's argument, however, it is not even the bourgeois forms of property that is being naturalized. Rather, property at this stage of Locke's argument is stripped of all social attributes whatsoever and is merely conceived of as the outcome of human need, activity, and reason. Property is created when a "savage" kills a deer, or when a person in the wilderness drinks from a stream. Indeed, by this logic, it seems that property in the oxygen atoms of the atmosphere is actualized when one draws air into one's lungs.

This is all to say that for Locke, property arises from human need and human activity, pure and simple; there are no social foundations to property; this is because, in the state of nature, the foundations of property are socio-natural: natural in that property emerges out of our being in the word, social in that, as the God-created social beings we are, we have the capacity, through reason, to recognize the legitimacy not only of our own but also of others' claims to property. The depth of this conception runs to the very core of Locke's conception of what a human is. Thus, there has never been a condition in which there was no property, for there has never

been a condition in which human beings did not have to consume the earth to live, nor has there ever been a time when human beings did not have access to reason, which told them that such appropriation was justified.

As may readily be seen, this naturalization of property in Locke's argument is inextricably tied to a naturalization of labor. Because human beings, according to Locke, satisfy their needs through exertion of their own mental and physical capacities, labor is the act of making the earth one's own. Because the earth, in the state of nature, is full of individuals exercising their own claim rights over the earth, it stands to reason that there has to be some way to adjudicate who gets what. Again, man's very nature, as an active, creative being, provides a ready-made solution. Labor is an extension of my own body because it is an act of my will. Thus, labor is necessary to mediate my relationship to the earth; for this relationship, unlike that of the animals, is a deliberate and conscious one, guided by the reason I was given by God. Labor is thus, as Locke claims, the title to property in the state of nature.

It is in this manner that, just as with property, so too labor is stripped of any social attributes by Locke. It has no social basis, no social form, other than the socio-natural form that it acquires from its character as human activity. Labor is indeed here inseparable from human existence, it is the mere activity of a living, rational individual, consuming the earth in order to survive. Therefore, as Locke argues, "He that is nourished by the acorns he picked up under an oak, or the apples gathered from the trees in the woods, has certainly appropriated them to himself. … That *labour* [of appropriation] put a distinction between them [i.e. those goods] and common: that

added something to them more than nature, the common mother of all, had done; and so they became his private right."[74] Labor, in other words, is the deliberative act of interacting with the world in order to live, the deliberate act of uniting myself with the world. It is this deliberate act of surviving that gives me a claim right to the fruits of my labor. It is this reasoned deliberation, the involvement of my will in my labor, that distinguishes my form of living, as a human being, from that of the animals. This, for Locke, is essential to my ability to recognize the claim rights that other human beings have over the fruits of their labor. In contradistinction to Hobbes, whose state of nature is a free for all, this imbues Locke's state of nature with a moral character. Natural reason lets me know that if were to try to appropriate a good which had first been appropriated via the labor of another, I would be stealing it. Only animals, in Locke's state of nature, live in the amoral condition painted by Hobbes; natural reason and will, for Locke, let me know that while I may behave as a wolf towards another man, this is wrong; I will be punished for it, if not by another man, then at least by God himself.

Moving forward, Locke's argument for the legitimacy of man's appropriation of the "fruits and beasts" of the earth will of course be extended to an argument for the legitimacy of appropriation of the earth itself. It is at this stage that a socio-naturalistic concept of landed property is unfolded, which will later serve as the ground for the classical political economists' naturalistic conception of the capital-wage-labor relation. Locke's argument for why, in the state of nature, man's

[74] Locke, *op. cit.* p. 19.

appropriation of the commons was legitimate is in fact comprised of two separable strands. The first line of argument is based on the supposition that in the initial stages of man's appropriation there was so much land to go around that any one individual's act of marking a portion off for himself could hardly have been cause for strife. In this condition, in which land was practically unlimited, the act of an individual parceling off his own chunk of land was no more of an imposition upon his fellows than taking a draught of water from a river would have been.

The only restriction that was put on acquisition of property in this condition was that all appropriation of the earth, according to natural law, had to be done for the express purpose of the use, directed towards survival, of what was appropriated. "As much as any one can make use of to any advantage of life before it spoils," Locke maintains, "so much may by his labour fix a property in: whatever is beyond this is more than his share, and belongs to others. Nothing was made by God for man to spoil or destroy."[75] Yet people are, we find later, allowed to take more than they need; and it is of course money, Locke suggests, which allowed human beings in the state of nature to accumulate more property than they needed for direct subsistence. For by trading what they did not need, the excess fruits of their labor, for silver or gold, they received something in return that could not perish. It is this ingenious implementation of money as a means of exchange that allowed men to accumulate beyond their needs.[76]

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[75] Locke, *op. cit.* pp. 20-21.
[76] Locke, *op. cit.* p. 23.

Money, in Locke's account in "Of Property"[77] appears to have been the necessary condition of the possibility of releasing or unlocking from a state of dormancy human beings' very desire to have more than they need. This, far from having been a problem for humanity, appears, in Locke's account, as having set off a virtuous cycle, with the potential to raise living standards far beyond levels imaginable if money had not made its appearance. This feeds in to the second strand of Locke's defense of the accumulation of property. According to this second line of the argument, private property is justified because it results in the rational improvement of the earth, causing the earth to yield more than it would on its own. As is well known, Locke was a champion of agricultural improvement.[78] Writing during a period in which England was rapidly pulling away from the pack of its European competitors in terms of its agricultural production, Locke's argument for the legitimacy of private property is a eulogy to the efficiency gains brought about by agriculture, and his most powerful defense of the appropriation of land is based on the idea that when appropriation is undertaken for the purpose of improving it, i.e. turning it into agricultural land, the results redound to the benefit of all.

Money was necessary to this process, in Locke's speculative history, because it allowed men to exchange their excess produce. And it was precisely through this ability to exchange their excess production through the instrument of money that men were able to begin to establish a division of labor, based on the production of

[77] I am not dealing here with Locke's body of work on money, more broadly.
[78] Wood, Neal. *John Locke and Agrarian Capitalism*..

specialized goods, produced for the express purpose of being exchanged. Locke, it seems, even believed that without money, labor would remain in a stunted condition, indefinitely. For it is only by its capacity to be exchanged that labor, in excess of what a man needs, can serve as part of the division of labor of society. As Locke puts it:

> …for it is not barely the plough-man's pains, the reaper's and thresher's toil, and the baker's sweat, is to be counted into the *bread* we eat; the labour of those who broke the oxen, who diffed and wrought the iron and stones, who felled and framed the timber employed about the plough, mill, oven, or any other utensils, which are a vast number, requisite to this corn, from its being feed to be sown to its being made bread, must all be *charged on* the account of labour, and received as an effect of that: nature and the earth furnished only the almost worthless materials, as in themselves.[79]

However, we also see here how much labor goes into this loaf of bread that is not agricultural labor at all:

> It would be a strange *catalogue of things, that industry provided and made use of, about every loaf of bread,* before it came to our use, if we could trace them; iron, wood, leather, bark, timber, stone, bricks, coals, lime, cloth, dying drugs, pitch, tar, masts, ropes, and all the materials made use of in the ship, that brought any of the commodities made use of by any of the workmen, to any part of the work; all which it would be almost impossible, at least too long, to reckon up.[80]

What this signifies, I believe, is that Locke has a vision of society as evolving, *within* the state of nature, as the result of the use of money, and the improvement of land, towards a condition in which much of the laboring activity of people is such that in itself it would not be able to provision them with their subsistence needs. This is

[79] Locke, *op. cit.* p. 27.
[80] *Ibid.*

crucial, for it signifies that in addition to his naturalization of property and labor, Locke is naturalizing exchange, between petty commodity producers. Like agriculture and money, exchange society evolves directly out of man's natural acquisitive tendency to form property out of labor. Money, by allowing men's labor to be stored, enhances this acquisitive tendency, and in turn unleashes desires for types of goods and standards of living that would be impossible without agricultural improvement and money. "And as different degrees of industry were apt to give men possessions in different proportions," Locke then continues:

> so this *invention of money* gave them the opportunity to continue and enlarge them…. [Lacking money] what reason could anyone have … to enlarge his possessions beyond the use of his family, and a plentiful supply to its *consumption,* either in what their own industry produced, or they could barter for like perishable, useful commodities, with others.[81]

I interpret Locke's argument as suggesting that in the state of nature, as people begin to improve land, turning it into agricultural land, there comes a point (how he does not say), when people agree to the use of money as a store of value and a tool of exchange. This allows for the further improvement of land, the enlargement of holdings, and the articulation of a division of labor throughout society. The result is an exchange society, comprised of landowners and petty commodity producers, who produce in order to satisfy the consumption needs of others. These desires, stunted in natural societies in which improvement of agricultural land has been held back by the absence of money, are allowed to develop and flourish in societies in which money

[81] *Op. cit.* p. 29.

does exist. The upshot is, in the state of nature itself, a commercial society, comprised of property owners of unequal wealth, and propertyless laborers (whose existence I will address shortly). As Locke suggests:

> … it is plain, that men have agreed to a disproportionate and unequal *possession of the earth,* they having, by a tacit and voluntary consent, found out a way how a man may fairly possess more land than he himself can use the product of, by receiving in exchange for the overplus [of his labor] gold and silver, which may be hoarded up without injury to any one; these metals not spoiling or decaying in the hands of the possessor. This partage of things in an inequality of private possessions, men have made practicable out of the bounds of society, and without compact, only by putting a value on gold and silver, and tacitly agreeing in the use of money: for in government, the laws regulate the right of property, and the possession of land is determined by positive constitutions.[82]

Appropriation of the land and tacit consent in the use of money in the state of nature will eventually result in a condition in which the interests of individuals begin to conflict with one another. It is in order to be able to deal systematically with such disputes, that people exit the state of nature and enter political society.

The question now is where the propertyless laborer fits into this scenario. There are two passages that indicate that for Locke, the propertyless laborer may be assumed to have existed in this bygone condition (which of course, may not itself have ever even existed). The first comes from the passage where Locke maintains that "the grass my horse has bit; the turfs my servant have cut; and the ore I have digged in any place, where I have a right to them in common with others, become my

[82] *Op. cit.* pp. 29-30.

property, without the assignation or consent of any body."[83] The second concerns the condition of a day laborer. A "day labourer," according to the OED, is "a labourer who is hired or paid by the day; one who earns a living by labour."[84] This term was first used in 1528 by Tyndale, and in 1699 in the anonymously written *The Poor Man's Plea Against the Extravagant Price of Corn.* It is used by Locke in "Of Property" when he maintains that it is because of the lack of improvement of land in America, that "a king of a large and fruitful territory there, feeds, lodges, and is clad worse than a day-labourer in *England.*"[85] Unlike the first example, in which Locke is referring to a situation in the state of nature, in the latter case he is obviously referring here to a worker who is a member of a commonwealth, insofar as he makes a direct reference to England. However, Locke seems to be suggesting that a very developed economy can come into existence in the state of nature, if money exists within a given natural society. It is money which makes possible the agglomeration of agricultural land, the differentiation of tasks necessary to the division of labor, the exchange of products above and beyond subsistence needs between producers. This development, as well as Locke's reference to the turf-cutting servant, seem to imply that for Locke the "partage of things in an inequality of possession" which occurs in the state of nature, given the existence of money, can certainly lead to a class of people who have nothing to sell but their labor, in order to survive.

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[83] *Op. cit.* pp. 19-20.
[84] "day labourer | day laborer, n." *OED Online*, Oxford University Press, June 2020, www.oed.com/view/Entry/47544. Accessed 20 July 2020.
[85] 26

Locke's argument for property in the state of nature, the ideological vision he constructs of the socio-natural basis of property, the introduction of money in the state of nature, and the inequality this inevitably gives rise to; all of these aspects of Locke's construction, I maintain, imply a naturalization of the condition of propertylessness. In turn, employment as the natural form of the mediation between the propertyless and their means of subsistence is for Locke a natural condition. Just as much as is the case with property, propertylessness, and employment, are by Locke conceived of as a natural consequence of man's very condition as a natural and a social being. The classical political economists' theories of population and living standards, insofar as they viewed employment as the natural link between population and its means of subsistence, were grounded in this socio-naturalistic conception of property and propertylessness, to which Locke was a seminal contributor.

1.3. Debates on Locke as an advocate of capitalism

As I indicated above, Locke's role as a contributor to capitalist ideology, his advocacy of capitalist property, and his philosophical position on the condition of the propertyless wage laborer have been hotly debated by historians of political thought. Locke, as an early Enlightenment figure, stood at a transition point between a natural law tradition of social thought and a later, more empirically driven and somewhat more value-neutral intellectual tradition typified by the work of the classical political economists. Locke's commitments to defending the moral basis of the social property arrangements of capitalism separates him from later political economic thinkers, such

as Smith, Ricardo, and Malthus, who had by and large accepted, taken as given, the class divisions of civil society. Locke's grounding in the natural law tradition has thus led some interpreters to question the extent to which his work may fairly be characterized as having offered a defense of capitalism. Therefore, before moving into my argument on the reception and formalization of Locke's naturalistic conception of property and propertylessness in the economic theory of Adam Smith, a brief review of historiographical debates on Locke's place as an advocate of capitalism is merited.

Of particular relevance to my argument is the position articulated by James Tully. Tully, a preeminent liberal scholar of Locke's political philosophy, has argued that Locke should hardly be seen as an advocate of capitalism, let alone its *laissez faire* variant. Responding to interpreters who have claimed Locke as a proponent of early capitalism, and who have read Locke's political theory as offering a defense of capitalist private property, Tully has argued that Locke was in fact advancing a position on property that was grounded in conceptions of natural justice and a commitment to communitarianism; conceptions, indeed, which on closer examination were far from serving as a defense of the acquisitive drive usually associated with the "spirit of capitalism." Because my argument depends on the position that Locke indeed did offer not only a defense of property and propertylessness but at a deep level naturalized these conditions, grounding them in the very nature of human beings and their relationship to the earth, it must be able to bear the burden of responding to Tully's objections to placing Locke at the headwaters of the lineage of liberal social

and political thought which would come to defend the property arrangements of modern civil society.

In the following section I address these debates, demonstrating that, despite the commitments to natural justice and communitarianism that Tully has shown Locke to have held, it is nonetheless the case that Locke's theory of property did indeed advance an argument not only for the natural basis of property, but also of the condition of propertylessness. Tully has argued that Locke's defense of employment as the means of acquiring means of subsistence depended upon the position that within the state of nature, land, "as much and as good" as that held by property owners, was still available to those who voluntarily chose to be employed by the propertied. Because those who labored for others under such conditions were not forced to do so, because they had other options readily available to them, Tully reads Locke as having argued that the subservient position of such laborers—literally, servitude—could be defended on natural jurisprudential grounds.

Once people exited the state of nature and formed a political commonwealth, on the other hand, Locke would change this position. Here, Tully maintains, Locke argued that property reverted to common ownership, and became subject to the restrictions of the positive laws of the constitution. In this section, I will argue that this reading of Locke is based on two related problems in Tully's analysis. The first is a complete inattention to the actual economic history of England during the period in which Locke was alive; the second is a faulty conception on Tully's part of the nature of the capital-wage-labor relation.

Most Marxian historians of political thought have interpreted Locke as providing, to greater or lesser degree, a defense of capitalist property.[86] Such historians have argued that Locke's political philosophy stands at the headwaters of bourgeois philosophy precisely because of its focus on the primacy of the individual and of private property as the natural outcome of the individual's natural relationship to the earth. Such interpreters take their cue from Marx himself, who claimed that "Locke became the philosopher' [*par excellence*] of political economy in England, France, and Italy."[87] Locke's political theory of the origins of private property is situated firmly within the "bourgeois horizon," according to Marx and his followers, because it conceives of and portrays capitalist forms of economic life, forms which are in fact historically and socially determinate, as if they were given and natural. This is to say that as a theory of property, Locke's theory simply takes no account of social form.

Instead, as Simon Clarke argued, for Locke, private property is not a socially or historically specific form at all. Rather, it is grounded in a conception of

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[86] Clarke, Simon. *Marx, Marginalism and Modern Sociology: From Adam Smith to Max Weber*. 1991 edition. Basingstoke, Hampshire: Palgrave Macmillan, 1991. Macpherson, C. B. *The Political Theory of Possessive Individualism: Hobbes to Locke*. Oxford: Clarendon Pres, 1962. Wood, Ellen Meiksins. *Liberty and Property: A Social History of Western Political Thought from the Renaissance to Enlightenment*. 1 Original edition. London; New York: Verso, 2012. ———. *The Pristine Culture of Capitalism: A Historical Essay on Old Regimes and Modern States*. Reprint edition. London: Verso, 2015. Wood, Neal. *John Locke and Agrarian Capitalism*. Berkeley: University of California Press, 1984.

[87] Marx, Karl. *Capital: Volume 1: A Critique of Political Economy*. Reprint edition. London; New York, N.Y: Penguin Classics, 1992, p. 513n. Cited in Murray, Patrick. *The Mismeasure of Wealth: Essays on Marx and Social Form*. *The Mismeasure of Wealth*. Brill, 2016, p. 5n.

humankind's relation to nature, indeed an expression of man's natural relationship to nature, *as such*. Locke's asocial, naturalistic conception of property was influential in the subsequent development of liberal social and political thought, and especially of classical political economy. "Smith and Hegel," Clarke writes, "developing Locke's theory of private property, conceal the social foundations of private property in conceiving of private property as ultimately deriving from a primitive proprietorial relation of the individual to her own body and, by immediate extension, to the things produced by the exercise of her physical and mental powers."[88] Clarke is speaking here of Hegel and Smith, of course; but he is identifying the "concealed social foundations" of property in these two giants of liberal social thought as having derived straight from Locke's theory of property.[89] Marx's criticism of classical political economy's naturalistic conception of production runs straight back to this naturalistic conception of property, posited by Locke, and developed by the great exponents of the philosophical and political economic currents of liberalism.

Marx's—and Clarke's—interpretation of the ideological vision of the natural basis of property is here based on a very deep conception of "ideology." It is not that Locke was simply offering a propagandistic argument for the legitimacy of property,

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[88] Clarke, Simon. *Marx, Marginalism and Modern Sociology: From Adam Smith to Max Weber*. 1991 edition. Basingstoke, Hampshire: Palgrave Macmillan, 1991, p. 59.
[89] Hegel was well versed in British classical political economy. See, Lukács, Georg. *The Young Hegel: Studies in the Relations between Dialectics and Economics*. Translated by Rodney Livingstone. The MIT Press, 1977. Plant, Raymond. "Hegel and Political Economy (Part I)." *New Left Review*, I, no. 103 (1977): 79–92.

"championing" it in the manner of the "vulgar" apologists of capitalism in the high liberal period a century and a half later. The extent to which Locke was deliberately advocating for capitalism is debatable, and as Tully suggests, needs to take account of subtleties which, at the very least, temper Locke's enthusiasm for capitalism. For while Locke was surely a proponent of private property, on both natural legal and instrumental grounds, he was also, as Tully maintains, concerned with Christian, communitarian issues which tempered his defense of private property. Certainly, Locke was not an advocate of unlimited, absolute private property, in the sense that he believed that under political conditions, in the commonwealth, property would and should be limited by positive law.

For my argument, however, and for the point that Clarke is making, these historiographical questions are in some sense beside the point. The point, rather, is that Locke has an ideological vision of the natural basis of property at the deepest possible level. Locke's theory is ideological in the sense that, as Althusser put it, "Ideology represents the imaginary relationship of individuals to their real conditions of existence."[90] Locke's theory is ideological in that it is a theory which attempts to explain our "real conditions of existence" but does so in a manner which ascribes to nature what is in fact the result of a thoroughly social and political arrangement. It is in this sense "imaginary," or mystified.

[90] Althusser, Louis. *Lenin and Philosophy and Other Essays*. New York: Monthly Review Press, 2001, p. 109ff.

Locke, then, according to interpreters such as Clarke, Murray, and Marx himself, is the ideologist *par excellence* of the bourgeoisie, as Marx claimed, because he put forward what practically amounts to an ontological argument for the existence of property. Property exists in all human societies, it must exist, for it follows directly and inevitably from the fact that human beings deliberately interact with the world in their efforts to survive. The argument he is making logically leads to the conclusion that the *inexistence* of individual property in any human societies is in fact impossible. Again, Tully shows that Locke believed that property would be restricted in various ways by the commonwealth once man exited the state of nature and formed political society. But this does not change, at all, the fact that for Locke property arises out of man's very being in the world, the very fact of his need to interface with the world in order to live.

This conception of private property is grounded in another ideological conception: a transhistorical, asocial and naturalized conception of labor. "Labour," Clarke explains, was for Locke "the substance of property." Insofar as labor is a transhistorical category—that is, there is no mode of production in which human beings will not have to deliberately interact with nature in order to live; and this activity is, by definition, labor—human history will always entail appropriation of nature, and therefore property. For Marx and Marxian critics, it is the very generality of these conceptions, these definitions of property and labor, that is part of a kind of "bait and switch" move in which bourgeois relations are smuggled into man's supposed natural condition, indeed the very nature of man.

General categories are not "bad" categories, for Marx. Indeed, they perform the work of bringing under a concept aspects of reality that do persist across all social and historical epochs. All human life will entail labor, at a general level, just as all human life will end in death. But such a generalization, while usually not a problem when one speaks of death, only goes so far when one seeks to grasp economic categories such as production, property, labor, rent, etc. This is because economic categories, if they are to have any purchase on reality, must be further concretized, they must account for social form. This is due to the fact that, while there is death as such, there is not, in fact production as such. All production is always situated within a complex social formation, which determines what, as production, it is, in reality. The problem with Locke's overly general concepts of labor and property is not that labor, in general, or property, in general, cannot be conceived of—they obviously can. The problem, rather, is two-fold: on the one hand there is the risk that these general concepts tell us nothing about the historical and social forms of the phenomena under investigation. On the other hand, there is the potential for the ideological bait-and-switch. That is, the categories in fact do have content, the content given to them by actual, historically specific, bourgeois relations. These categories are then smuggled in to the state of nature, used to explain the very nature of human beings.

As a result we have, in Locke's theory of property, on the one hand a situation in which there is hardly a qualitative distinction between the appropriation of a handful of water out of a stream, and the appropriation of a vast tract of land,

improved for agricultural production, oriented toward market exchange. On the other hand, we see an exchange economy, replete with petty producers of all manner of commodities, which they produce in order to be sold for money, existing in the state of nature! Both scenarios are for Locke simple emanations of "property," which arises out of the general human act of "labor." It is this dual character of Locke's naturalization that is at the heart of what Marx identifies as Locke's "bourgeois horizon."

C.B. Macpherson connects this naturalization of property and labor to a new construction of the human, of human individuality, the emergence of which he locates in seventeenth-century political thought, more generally. Macpherson's *Political Theory of Possessive Individualism* situates Locke within a broader tradition of seventeenth-century thinkers who, Macpherson argues, imbued the individual, and individualism, with a "possessive quality." For Macpherson, seventeenth-century political thought redefined what a human being is, by conceiving of the human as a creature naturally oriented towards possession. This "possessive quality," Macpherson argues, "is found in its conception of the individual as essentially the proprietor of his own person or capacities, owing nothing to society for them."[91] Locke, in Macpherson's interpretation, is thus a seminal figure in a tradition of political thought that begins to conceive of human beings as naturally oriented toward

[91] Macpherson, C. B. *The Political Theory of Possessive Individualism: Hobbes to Locke*. Oxford: Clarendon Pres, 1962, p. 3.

possession and ownership, an acquisitive drive which is necessary to the capitalist "spirit."

This conception of the human being of course has implications for conceptions of conglomerations of humans; for as a result of such individualistic and possessive notions of the human and human nature, Macpherson contends, "Society becomes a lot of free equal individuals related to each other as proprietors of their own capacities and of what they have acquired by their exercise. Society consists of relations of exchange between proprietors."[92] Looking at human beings as a lot of individual, acquisitive monads thus changes what society is. Society, for Macpherson's individualist seventeenth-century thinkers, is emphatically not guided by a *telos* aimed at the promotion of the common good. It is rather a liberal society, with few commitments beyond those which facilitate the possessive, acquisitive nature of its members, within a legal framework which preserves and protects their most cherished extension of their being: private property.

For Macpherson, Locke's biggest contribution to this conception of the human and of society was the removal of property from the restrictions of natural law. "Locke's astonishing achievement was to base the property right on natural right and natural law, and then to remove all the natural law limits from the property right."[93] This inversion results in Locke justifying, "as natural, a class differential in rights and in rationality, and by doing so provides a positive moral basis for capitalist society."[94]

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[92] *Ibid.*
[93] Macpherson, *op. cit.* p. 199.
[94] *Op. cit.* p. 211.

Here, we should note a subtle distinction between Macpherson's argument and Clarke's. This distinction boils down to Macpherson's attribution of an intention, in Locke, to justify capitalist social property arrangements and the class divisions that are constructed upon them. As Macpherson argues, "Locke has done what he set out to do. Starting from the traditional assumption that the earth and its fruits had originally been given to mankind for their common use, he has turned the tables on all who derived from this assumption theories which were restrictive of capitalist appropriation."[95] This attribution of intention to Locke, in the construction of his argument for the natural legitimacy of private property, obviously invokes ideology at another level. Macpherson's Locke is indeed a champion, a vigorous advocate of the capitalist system, and of the capitalist "spirit," i.e. of the drive towards unlimited acquisition of private property, upon which the capitalist system, in Macpherson's interpretation, is based.

It is precisely this interpretation of Locke's ideological vision of the acquisitive nature of human beings that rubs Tully the wrong way. Largely ignoring the deeper sense of ideology used by Clarke, which entails a naturalization of social relations, due to the very appearance of these social relations as natural, Tully takes issue with interpreters of Locke who have seen in the *Second Treatise* and the chapter "Of Property" a defense of the capitalist spirit and of the idea that individuals should rightfully be able to pursue unlimited, and unencumbered, private property. Tully has argued that private property for Locke was, in fact, not fully "exclusive," in the way

[95] *Ibid.*

in which capitalist private property tends to be legally defined today. Inattention to this fact, Tully maintains, has led to gross misrepresentations of Locke as the champion of bourgeois property and bourgeois interests. It has anachronistically attributed to him an advocacy of unlimited acquisition, and even of *laissez faire* capitalism.

Marshalling a case against this view of Locke, Tully points out that for Locke property exists in two different domains: the state of nature, and political society. In the latter, Tully argues, Locke believes that "property is not only conditional on the owner's performance of a social function, but is held specifically for the sake of the performance of a social function: to preserve mankind."[96] The fact that Locke believed that property holders needed to perform this social function is for Tully evidence that Locke had a much more subtle view of property than those interpreters who have suggested that Locke "naturalized" private property, much less advocated for it in the manner of a liberal social thinker like Ricardo or Mill.

According to Tully, "Locke is normally taken to have attempted to justify private property by showing that it is natural…. This interpretation is held in the face of his repeated assertion that whatever property men have in political society is conventional…."[97] Tully's argument here is based on his thesis that Locke "bifurcates" his theory of property, articulating one theory that is good for the state of nature, and another for civil society. The former theory of private property is

[96] Tully, *op. cit.* p. 99.
[97] *Ibid.*

grounded in a "natural" theory of property, the latter a "conventional" one. This is the basis of Tully's contention that, contrary to interpreters who see Locke advancing an individualist argument, this accounts only for one variant of Locke's property theory—the more well-known argument for the natural basis of property in the state of nature.[98] Tully's reading, based on this "bifurcation" thesis, posits a Locke who is radically different from the advocate of private property that he has so often been taken for.

"Natural acquisition and possession," Tully maintains, "are legitimate in the state of nature as long as the "enough and as good for others" proviso is satisfied. With the introduction of money land becomes scare and men's claim rights conflict; then the theory of natural appropriation and use has no application. The basic premiss that God gave the earth to all men in common for all time, and at any particular time, necessarily invalidates all exclusive rights once the proviso is no longer met."[99] For Tully, Locke's political community, the commonwealth, arises precisely because of the fact that in the state of nature men have acquired property. As we have seen, with the introduction of money, property holdings have been allowed to grow. This puts men into a situation in which claims begin to conflict. Now, "one man's interest conflicts with another," and it is precisely for this reason that men enter into a compact with each other, "seeking political community as a solution" to the fact that due to the natural development of property, "enough and as good" is no longer

[98] *Op. cit.* p. 100.
[99] *Op. cit.* p. 165.

available, at least in the eyes of those men whose conflicts are driving them to find some way of arbitrating between their mutual hostilities. Here, the political community emerges. And crucially, this political community, according to Tully's interpretation of Locke, must facilitate the preservation of the *suum cuique* of all its members in order for private property in the community to be justifiable. In other words, private property must become, in civil society, conditional.

Tully's argument is well taken, at least insofar as this latter point is concerned. I share Tully's belief that Locke is indeed very concerned with demonstrating that the *suum* of the propertyless will be preserved in a society of property-holders. *Pace* Macpherson, Locke is obviously not advocating for unlimited exclusive private property, and this is evident, as Tully so eloquently shows, in Locke's Christian communitarian concerns. However, in making this argument, Tully seems to push it too far. He interprets Locke to have meant that when men enter society, the goods they acquired in the state of nature revert to common ownership. There is, in reality, and based on the passages Tully himself quotes, scant evidence that this is what Locke meant. The following passage is, in part, quoted by Tully to advance his point. In order to advance my argument, I quote it in full:

> To understand this better, it is fit to consider that every man, when he at first incorporates himself into any commonwealth, he, by his uniting himself thereunto, annexed also, and submits to the community, those possessions, which he has, or shall acquire, that do not already belong to any other government: for it would be a direct contradiction, for any one to enter into society with others for the securing and regulating of property; and yet to suppose his land, whose property is to be regulated by the laws of the society, should be exempt from the jurisdiction of that government, to which he himself, the proprietor of the land, is a subject. By the

> same act therefore, whereby any one unites his person, which was before free, to any common-wealth, by the same he unites his possessions, which were before free, to it also, and they become, both of them, person and possession, subject to the government and dominion of that common-wealth, as long as it hath a being.[100]

The idea that what Locke means here is that in the transition from nature to the commonwealth, individually held property would revert to common ownership, as Tully suggest, seems to me to be a misreading. To conflate the subjection of possessions to their reversion to common ownership, to equate the legal restrictions placed upon private property in the commonwealth to the reversion of private possessions to the commons, as Tully does, is to misunderstand what Locke is saying. Tully's own glosses on Locke are proof of this. Tully maintains that, "The crucial point for Locke in any distribution of property is twofold: that everyone has the means necessary for comfortable subsistence; and that everyone is able to labour in, and enjoy, the fruits of, his calling in a manner appropriate to man, and analogous to God's activity as a maker."[101] Later, Tully contends:

> Analogous to natural rights in the state of nature, exclusive civil rights exist within a framework of inclusive civil rights and common ownership, and are conditional upon the fulfilment of social functions. Private property [*sic*] and Filmer's absolute right of private dominion have no place. It is remarkable that Locke has been depicted as a defender of unconditional private property in land. Any distribution which conduces to the performance of the form of activity he saw as a duty to God; which ensures the means of preservation for each, and which protects each man in the enjoyment of the fruits of his labor, is a just arrangement. These natural restraints disqualify some forms of communism and the capitalist forms of property described by Braverman and

[100] Locke, *op. cit.* p. 64.
[101] Tully, *op. cit.* p. 169.

> Macpherson. It is a system in which private ownership [*sic*] are not mutually exclusive but mutually related: private ownership is the means of individuating the community's common property and is limited by the claims of all other members.[102]

There are several problems with this passage. The first is that Tully openly declares that private property "has no place" in Locke's system, before clarifying that what he really means is that "unconditional," "exclusive" private property has no place here. Then, he stipulates that because unconditional and exclusive private property have no place in this vision of political society, that it therefore cannot be a capitalist society.

But private property has conditions put upon it even to this day, even in the most neoliberal societies on earth. It simply does not follow that placing conditions upon private property in a political society necessarily prohibits such a society from being capitalist. Finally, Tully completely overlooks the possibility that it is precisely private property, in Locke's theory, which will ensure "the means of preservation for each, and … protect each man in the enjoyment of the fruits of his labor." All of these problems, I submit, stem from Tully's faulty conception of what capitalism is, as a social relation between property owners and propertyless, but legally free people, who sell their capacity to work in order to survive. This faulty grasp of the legal status of the free propertyless subject limits his grasp of what Locke—and later Smith—believed that private property, in a capitalist system, would in fact be able to accomplish insofar as the preservation of the common good and the right of the individual to the fruits of his labor was concerned.

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[102] *Op. cit*. 170.

For an understanding of how propertylessness could be legitimated within a natural law framework, Hont and Ignatieff have suggested that we interpret Locke, and later Smith, as grappling with what they call "the paradox of commercial society." As they describe it: "[Why] was it that a modern society which does not return the whole produce of the labour to the labourer provides a better standard of living for the very poorest than the societies of the past? How was extreme inequality of distribution in modern society compatible with the satisfaction of the needs of its poorest working members?"[103] It was, as they suggest, civil society itself, the social property relations of capitalism and driving dynamics of capitalism which are grounded in these social property relations, which was providing a solution to this problem.

Locke and Smith were, respectively, alive during periods in which the dynamism of English agricultural and industry was driving her economy ahead of those of her European neighbors. Observers across the early period of classical political economy, thinkers such as Richard Cantillon and Smith himself, noted that the living standards of the English were considerably higher than those of the French peasantry, let alone Chinese rice farmers.[104] Locke may have been a natural law theorist, but as Wood points out, he was also fascinated with agricultural improvement, for right before his eyes a profound economic revolution was taking place, the likes of which had literally never before been seen in human history. Not

[103] Hont and Ignatieff, "Needs and Justice in the Wealth of Nations.," p. 4.
[104] Cantillon, Richard. "An Essay on Economic Theory." Text. Mises Institute, August 18, 2014. Smith, *Wealth of Nations,* chapter VIII, p. 83 ff.

more than a century after Locke's death England's population would be growing just as a smaller and smaller portion of its workforce was locked up in the production of food. This was of course a dynamic development that was essential to the nineteenth-century industrial revolution; a development which, without the release of a considerable portion of the labor force from the grain fields, would have been still born.

As Hont and Ignatieff suggest, "Locke argued that, however ungodly the modern scramble after money, the society which resulted from the scramble did not violate God's natural law that all men ought to enjoy the means of their own self-preservation. Indeed, those who had no property but in their own labour had a more secure hold on their subsistence than their virtuous but impoverished ancestors."[105] So too, Macpherson argues that Locke justifies propertylessness on the basis that "even the landless day-labourer gets a bare subsistence," which, "at the standard prevailing in a country where all the land is appropriated and fully used, is better than the standard of any member of a society where the land is not appropriated and fully worked."[106] Private appropriation is not only legitimate; it leads to the best of all possible situations. This is Locke's answer to the paradox of modern society.

It is astonishing that Tully argues that "The crucial point [for Locke] is that community ownership of all possessions is the logical consequence of the premises of Locke's theory in the *Two Treatises.*"[107] For while Locke may have indeed had

[105] Hont and Ignatieff, *op. cit.* p. 41.
[106] Macpherson, *op. cit.*, p. 212.
[107] Tully, *op. cit.* p. 165.

communitarian concerns, it hardly follows that what was meant by this is that private property is literally owned by the community. The point of Hont and Ignatieff and Macpherson's respective arguments is that Locke was beginning to see that civil society provides the arrangements, the growth dynamics, and the market-based distributional mechanisms which offer a real economic context for solving, indeed for dissolving, communitarian concerns which seemed to necessitate literal property holdings for everyone. Tully claims that he sees "no evidence for Macpherson's interpretation that 'the greater productivity of the appropriated land more than makes up for the lack of land available for others.'"[108] I believe that as a matter of fact Locke's whole argument turns on precisely Macpherson's point, and it is because of this argument, his argument on the position of the day laborer, that Locke stands at the headwaters of classical political economy's naturalization of the capital-wage-labor relation. What then accounts for Tully's reading? For Tully's text is formidable, and he is without question correct on a number of important points. The answer, I think, lies in Tully's faulty conception of what capitalism is.

Locke was indeed dead set on preserving the *suum* of the propertyless. Directly related to this is the truth of Tully's argument that, for Locke, civil society has a purpose, a *telos;* civil society is directed toward the preservation and benefit of its members, indeed of *all* of its members. (Incidentally, below I will argue that traces of this *teleological* character of Locke's political theory will linger well into the great works of classical political economy in Smith and his successors, who still believed

[108] Tully, *op. cit.* p. 149.

that it was beyond doubt that production took place for the purpose of satisfying consumption.) Locke was, as Tully implies, far away indeed from offering an apology for poverty or for a pure free-market *laissez faire* system of capitalism. Such ideas did not even exist as conceptual currency at the time that Locke was alive. Moreover, Tully's emphasizes that Locke did not clearly separate economy from polity and did not imagine—perhaps could not have even imagined—the economy as disembedded from its social ground. "Locke's analysis of the creation of a polity," he says, "…exhibits the absence of an economic sphere distinct from the political." These important points must not be forgotten in any attempt to brand Locke a propagandist of early capitalism.

However, Tully's arguments here are grounded in his own conception of capitalism, and this conception is seriously flawed. Tully insists that Locke's view of "natural" property in the state of nature in no way entails a naturalization of capitalist property or of the capital-wage-labor relation. Arguing this point, Tully suggests that it is "impossible for the capitalist to appear in Locke's theory" and "The capitalist not only never appears in the *Two Treatises;* there is no place for him to appear." More forcefully, Tully even argues that "Locke's theory, is, in hindsight, an obstacle to capitalism."[109] Where does Tully come by such an interpretation?

I submit that there is a dual explanation here: on the one hand, Tully's reading is based on a lack of attention to English economic history, specifically its long history of agrarian capitalism; on the other hand, Tully reveals his own complete

[109] Tully, *op. cit.* pp. 137-138.

misunderstanding of the nature of the capital-wage-labor relation. Locke, at one point in the *Second Treatise,* refers to a "servant" who has cut his "turfs." According to Tully, Locke is here relying on a conception of a master-servant relation which is much different from the capital-wage-labor relation. Tully is correct about this difference. However, Tully goes on to remark that the master-servant relation "is not only not the wage relationship of capitalism, it is a fetter to the development of capitalism which [i.e. the master-servant relation] was not supplanted until the late eighteenth-century."[110] The latter claim here, on the supplanting of master-servant relations, is false.

On Tully's reading, it was the "freeman who makes himself a servant," and as such "the agreement must presuppose that the choice not to become a servant is available to him. This condition [in the state of nature] is fulfilled by the availability of spontaneous products of nature and utilizable land on the English Common," which Tully sees as implied "in the 'turfs' passage." This reading simply takes no account of the real history of the enclosures of the commons in the English countryside, and the formation of the agrarian capitalist mode of production. As Hill argued, English workers in 1530 had to labor fourteen to fifteen weeks per year to earn their daily bread. Two centuries later these workers would toil fifty-two weeks for the same sustenance.[111] There is nothing that could explain this phenomenon aside

[110] *Op. cit*. p. 136.
[111] Hill, Christopher. *Reformation to Industrial Revolution: 1530-1780*. The Pelican Economic History of Britain, v. 2. Baltimore: Penguin Books, 1969, p. 15.

from the unavailability of common land, and Locke was alive, and wrote the *Second Treatise* during the last quarter of the process Hill describes.

In fact, the social property relations of capitalism in the English countryside were beginning to be established as early as the fifteenth century, as work by Hill, Brenner, and others has shown. It is indeed the establishment of these relations, through the enclosures of the commons, that established market relations in English agriculture, and explains the explosive development of this sector of the English economy, unparalleled by any other nation in the world at this time, save the Low Countries. For by the middle of the seventeenth century "crop yields," as Hill reports, were "in the Low Countries and England … well ahead of the rest of Europe."[112] These trends "led to a great increase in output and a downward trend in agricultural prices from the end of the seventeenth century... The seventeenth-century agricultural revolution opened up the possibility not only of meeting the great expansion of the existing population more adequately but also of meeting the great expansion of urban populations which provided both the home market and the labour force for the Industrial Revolution."[113] Tully's inattention to this history is truly remarkable, and fatally weakens his interpretation of Locke.

Tully's ahistorical account is also reflected in a faulty conception of the capital-wage-labor relation. Here, we need to include a passage Tully glosses in making his argument. In the *First Treatise* Locke maintains that:

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[112] *Op. cit.*, p. 150.
[113] *Op. cit.*. 153.

> Man can no more justly make use of another's necessity, to force him to become his Vassal, by with-holding that Relief, God requires him to afford to the wants of his Brother, than he that has more strength can seize upon a weaker, master him to his Obedience, and with a Dagger at his Throat offer him Death or Slavery.[114]

Tully follows this with the astounding comment that "This remarkable condition makes it impossible for the capitalist to appear in Locke's theory." Why? Well, according to Tully, "If a man is driven by necessity to work for another, then the relation is based on force and is, *ipso facto,* a master and vassal arrangement."[115] Tully continues, "The precondition for the capitalist to emerge is the appropriation of all land such that a labourer is forced to work for another, and Locke explicitly denies that landholders can force a man to work under these conditions."[116] As if reflecting Locke's use of ahistorical, asocial general categories, Tully's argument here relies on a completely generalized concept of "force." It is in fact the case that under capitalist social relations, the wage-laborer, the day-laborer, is a legally free subject. *Pace* Tully, as Neal Wood explains, "The very essence of the wage relationship is precisely the juridically free status of the worker is different from other juridically restricted conditions of economic dependence, such as those of vassal or slave."[117] It is correct

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[114] Locke, John. *Two Treatises of Government. https://www.yorku.ca/comninel/courses/3025pdf/Locke.pdf.* p. 31. Cited in Tully, *op. cit.* p. 137.
[115] Tully, *op. cit.* p. 137.
[116] *Ibid.*
[117] Wood, Neal. *John Locke and Agrarian Capitalism*. Berkeley: University of California Press, 1984.

that the legally free subject is compelled by necessity to work for another, but the notion that this is tantamount to a "master and vassal arrangement" is simply wrong.

The establishment of capitalist social relations in England was bound up with and inseparable from an erosion of the "political power" of the propertied class. The precocious establishment of market relations went hand in hand, as Ellen Wood argued, with a relinquishing, among the elite, of the right to extract the surplus product of the laborer by force. Wood characterizes this distinction as between "politically constituted," and "economically constituted," power.[118] Wood herself has a tendency to draw the line between these two categories too sharply; her point, however, is that in England landowners' rights over the surplus produce of their laborers was a right that was guaranteed to them by virtue of the fact that they were property holders, owners of capital, in the modern sense of the term. Unlike Tully's argument, Wood's is based not on a political-philosophical abstraction, but on the fact that capitalism, and the capital-wage-labor relation, not only existed in early modern England, but was the economic order of the day.

Tully is correct that "The precondition for the capitalist to emerge is the appropriation of all land such that a labourer is forced to work for another."[119] But his evacuation of the concept of "force" of any determinant historical content reflects his ahistorical conception of what capitalism is, and indeed what the capital-wage-labor

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[118] Wood, Ellen Meiksins. *Liberty and Property: A Social History of Western Political Thought from the Renaissance to Enlightenment*. 1 Original edition. London; New York: Verso, 2012, p. 11ff.
[119] Tully, *op. cit.* p. 137.

relation entails. He thus concludes that "Macpherson redescribes Locke's master-servant relation as a capitalist-worker relation on the basis of a mistaken inference."[120] This "mistaken inference" supposedly fails to account for the position that Tully imputes to Locke, which stipulates that "A man may labour for himself or he may work for another, but only if an alternative is available. If it is not, he cannot labour for himself and he cannot be forced to work for another; he is simply given the necessary relief." This interpretation is perhaps the weakest link in Tully's formidable text. Even if Locke did not himself grasp the nature of the capital-wage-labor relation, as a relation which is not grounded in extortion and force, Tully himself should be able to do so. To this day those without a large enough bank account are in a sense "forced" to work for others in order to survive. But that sense is indeed what defines the nature of the capital-wage-labor relation, distinguishing it from slavery, feudalism, serfdom, or servitude. The interpretive mistake here is not Macpherson's at all, but Tully's

In fact, Locke did seem to be aware of the nature of the capital-wage-labor relation, and there is no evidence in "Of Property" that Locke objects to this relation as entailing coercion. Quite the contrary. As Locke says, in a passage I've quoted above, "a day-labourer in *England*" is fed, ledged, and clothed better than "the king of a large and fruitful territory" in underdeveloped America. It is noteworthy that while practically the whole of Locke's chapter "Of Property" describes the state of nature, this is the one passage which unambiguously is describing the state of society,

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120 *Ibid.*

prima facie. If Locke were going to raise the objection that the capital-wage-labor relation were tantamount to a Medieval lord putting his sword to the throat of a soon to be serf, this would have been the time to do so. Of course, Locke does not.

The fact of the matter is that Locke's society was a capitalist society, even if Locke did not understand the basic driving dynamic of a capitalist mode of production, much less defend *laissez faire* ideas that were not of his time. The absence of evidence of an explicit endorsement of agrarian capitalism in Locke's work, even if such an absence could be demonstrated, is not a demonstration of the absence of an ideological conception of property and the property-wage-labor relation, as natural. Locke did indeed have a naturalistic conception of private property, and, as I have argued, this conception implies a naturalistic conception of and the capital-wage-labor relationship. The fact that Locke was very concerned with arguing that the purpose of political society is to preserve the well-being of all, changes nothing here. Locke's argument that property appears out of the very nature of humankind's being in the world is a socio-naturalistic argument. His argument that with the formation of political society significant restrictions upon private property ought to be imposed, such that political society and its economic activity would serve to benefit those with little or no property, in addition to benefitting its owners, is not evidence, as Tully believes, that Locke's political theory has no place for the capitalist or capitalist property.

As Hont and Ignatieff, and Macpherson, have respectively and persuasively argued, Locke is contributing to a tradition of thought which is beginning to conceive

of civil society as inherently capable of resolving, through the mechanism of the market, the conflict between property, propertylessness, and the *suum.* This is the basis of my claim that in Locke we are faced with a political philosopher who lays out a methodical and coherent, but also socio-naturalistic, argument for propertylessness. This conception of propertylessness feeds straight into a conception of employment as the natural mode of the mediation between the population of the propertyless and their means of subsistence.

1.5. Adam Smith's Concept of Capital: classical political economy's formalization of employment as the natural mediation of population with means of subsistence

I now want to address Smith's absorption, and transformation into more strictly economic terms, of Locke's concern for the preservation of the *suum* in civil society. Here, I argue that Smith develops a theory of capital which formalizes the capital-wage-labor relation, integrating it into what, due to Smith's own work, was in the late eighteenth- and early-nineteenth centuries taking shape as the "classical theory of economic growth."[121] In the work of Smith and the classical political economists, the natural law discourse so prominent in Locke fades into the background. Some interpreters have indeed argued, however, that such concerns do not fully disappear. "Throughout the [*Wealth of Nations*]," as Haakonssen maintains, "a strong jurisprudential background is abundantly evident, according to which it is

[121] Lowe, Adolph. "The Classical Theory of Economic Growth." *Social Research* 21, no. 2 (July 1, 1954): 127–58.

possible to evaluate human action in terms of natural justice."[122] Be this as it may, here again, I find Hont and Ignatieff's argument that Smith essentially exploded the terms of an older problem of the contradiction between "needs and justice" to be very compelling. For Smith, civil society simply bypassed any need for a direct, political solution to this problem. For employment of the propertyless class not only offered them a share in the wealth of society, but relative to other societies, it appeared that arrangements in England offered the propertyless laborer a rather good compensation for his propertylessness. In this section, I examine how this guarantee of the *suum* of the propertyless is integrated into Smith's economic analysis. I show that Smith's concept of capital, according to which capital is advanced, almost in its entirety, to the hiring of propertyless laborers, formalizes Locke's incipient conception of property and the capital-wage-labor relation. With the development of classical political economy, this link will come to be seen simultaneously as civil society's mode of guaranteeing the propertyless class access to its means of subsistence, and its capacity to regulate the numbers of the propertyless class at levels needed by capital, i.e. capital's demand for labor.

By following the thread of Locke's problem as it is transformed and formalized in Smith, we begin to see how classical political economy absorbed and transformed the normative concerns of Locke, through a concept of capital. This concept of capital, as labor attracting, and generative of employment demand, is

[122] Haakonssen, Knud. *The Science of a Legislator: The Natural Jurisprudence of David Hume and Adam Smith*, p. 139.

essential to the classical political economists' theories of population and living standards. It will be the basis of the classical political economists' idea that population is essentially regulated by employment demand. This idea will not be called into question until the advent of the machinery question, which emerged in the early to mid-nineteenth century.

Before the emergence of the fear that the implementation of machinery in the process of production could systematically jeopardize the position of the laborer in capitalist society, Smith's labor-attracting concept of capital offered the assurance that, so long as the propertyless laboring class was not excessive in its reproductive tendencies, capital itself would serve to integrate society. This does not mean that Smith and his successors had a wholly sanguine vision of capitalist society; they indeed did not. Smith was concerned for the stunting effects of the division of labor on the laborer; even more so, Ricardo would come to see the interests of the capitalist and laboring classes as diametrically opposed, and believed that the future development of society could lead bring serious problems for the laboring class and for manufacturers, as well. However, the reason Smith's concept of capital was important is that by providing the assurance that accumulation of capital would lead to growth in employment demand, Smith's labor-attracting capital-concept precluded any possibility that capital accumulation would itself endogenously create surplus populations, or push the economy towards irresolvable crises. Ricardo, and his followers may have discerned the contradictions and tensions inherent in capitalist development; yet this was a vision of contradiction without crisis. Smith's capital

concept was thus crucial in the formation of a vision of the relative stability of civil society and its economic engine. For despite the class antagonisms that the classical political economists discerned taking shape between labor and capitalism, and despite their growth models which predicted the possibility of future stationary state as the terminal point of economic development—if the laboring class itself could not regulate their reproduction and prop up their standards of living—the basic social property relation of society, the capital-labor relation, appeared to be secure.

Smith, by developing a labor-attracting concept of capital, thus further naturalized employment as the mode through which the propertyless laboring class gains access to its means of subsistence. We can begin to address this issue of Smith's naturalization of the capital-wage-labor relation and of employment as the naturally occurring mediation of population with its means of subsistence by looking at his brief comments on the passage from an "early and rude state of society" to a society of property owners and propertyless workers.

> In that early and rude state of society which precedes both the accumulation of stock and the appropriation of land, the proportion between the quantities of labour necessary for acquiring different objects seems to be the only circumstance which can afford any rule for exchanging them for one another. … In this state of things, the whole produce of labour belongs to the labourer; and the quantity of labour commonly employed in acquiring or producing any commodity, is the only circumstance which can regulate the quantity of labour which it ought commonly to purchase, command, or exchange for.[123]

[123] Smith, *op. cit.* p. 65.

In other words, for Smith, like for Locke, there is a natural condition in which everyone enjoys the fruits of his own labor, and has a right to that which he has himself worked up into a finished product. However, this natural condition, this "early and rude state of society" of course gives way to one in which rather few actually own their own means of production, their own parcels of land on which to work, their own "stock." Thus, Smith goes on:

> As soon as stock has accumulated in the hands of particular persons, some of them will naturally employ it in setting to work industrious people, whom they will supply with materials and subsistence, in order to make a profit by the sale of their work, or by what their labour adds to the value of the materials. In exchanging the complete manufacture either for money, for labour, or for other goods, over and above hat may be sufficient to pay the price of the materials, and the wages of the workmen, something must be given for the profits of the undertaker of the work who hazards his stock in this adventure. … He [the undertaker, i.e. the entrepreneur] could have no interest to employ them, unless he expected from the sale of their work something more than what was sufficient to replace his stock to him, and he could have no interest to employ a great stock rather than a small one, unless his profits were to bear some proportion to the extent of his stock.[124]

As was the case with Locke, so too with Smith, the passage from one state of society, the "early and rude," to the other, in which capital is held in the hands of its owners, and a pool of "industrious people" is available for hire, appears to have been the result of a natural process:

> But this original state of things, in which the labourer enjoyed the whole produce of his ow labour, could not last beyond the first introduction of the appropriation of land and the accumulation of stock. … it would be to no purpose to trace farther what might have been its effects upon the recompence or wages of labour.[125]

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[124] Smith, *op. cit.* 65-66.
[125] *Op. cit.* 82-83.

This is the natural outcome of man's relationship to the world; no account here is taken of the social form in which property and propertylessness exists, nor to the specific historical dynamics which brought this social property relation into being. As Marx quipped, this pool of "industrious people" seems to have appeared out of nowhere, for "whence come the 'industrious people' who possess neither means of subsistence nor materials of labour—people who are hanging in mid air?"[126]

Nonetheless, Smith seems to be noticing something rather important here, Marx adds. "[Capitalist] production begins," Marx argues, "from the moment when the conditions of labor belong to one class, and another class has at its disposal only labour-power. This separation of labour from the conditions of labour is the precondition of capitalist production."[127] Smith not only naturalizes this separation of a class of owners of means of production from a class of propertyless sellers of labor-power. He also hits on something very important, encapsulated in his observation that the "original state of things, in which the labourer enjoyed the whole produce of his own labour" was necessarily to come to an end "long before the most considerable improvements were made in the productive powers of labour."[128]

This, according to Marx, is indeed a very keen observation on the part of Smith. "Here," Marx writes, "Adam Smith very acutely notes that the really great development of the productive power of labour starts only from the development

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[126] Marx, Karl. *Theories of Surplus Value*. Volume 1. London: Lawrence & Wishart, 1969, p. 78.
[127] *Ibid.*
[128] Smith, *op. cit.* p. 82.

when it is transformed into wage-labour."[129] What this means for the laborer, Marx goes on, is that "the conditions of labour confront it on the one hand as landed property and on the other as capital." This is an epoch making transformation, Marx credits Smith with registering. Unlike in Locke's theory of property, where in the state of nature petty commodity producers exchange their own labor surpluses with other petty producers, for Smith, the kind of productivity that Locke is referencing is not possible until the establishment of the social property relations of capitalism. "The development of the productive power of labour thus begins only under conditions in which the labourer himself can no longer appropriate its result."[130] This insight, Marx credits Smith with having seen rather clearly, even if, like Locke, Smith naturalizes the historical path to the establishment of these social property relations, that is, to the separation of labor from immediate access to its means of subsistence. Here, we can indeed concede to Tully that while the propertyless laborer is not absent from Locke's theory of political society, the place of the propertyless laborer, and the importance of the division of society into owners of property and propertyless, is by no means worked out in as great of detail as it is in Smith.

In Smith, then, it is even more obvious, or at least made more explicit, that the precondition of the productivity of society that results in relatively high standards of living for the propertyless laboring class lies precisely, and paradoxically, in the separation of this class from their own immediate access to means of subsistence.

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[129] Marx, *op. cit*. p. 70.
[130] *Ibid.*

This separation of society into the propertied and the propertyless is good, because it generates a condition in which the explosive productivity growth engendered by the division of labor results in a cheapening of an array of goods, as well as high labor demand. The upshot is that despite the fact that in advanced economies laborers are paid wages that amount to less than the sum total of what they produce, an arrangement which on the face of it appears to violate the right of the laborer to the fruits of his labor, this seeming injustice is made good by the fact that the laborer in such a condition enjoys a higher standard of living than he would have enjoyed, had he been left to his own as a petty commodity producer. Here again, we can turn to Hont and Ignatieff, who suggest that Smith's justification of this arrangement was very similar to that of earlier natural law thinkers, with the important caveat that Smith fully looked to markets as an automatic solution to the paradox of modern society. As they argue in a passage that is worth quoting at length:

> [The] *Wealth of nations* was centrally concerned with the issue of justice, with finding a market mechanism capable of reconciling inequality of property with adequate provisions for the excluded. Smith was simply transposing into the language of markets an ancient jurisprudential discourse, carried into modernity by Grotius, Pufendorf, and Locke, about how to ensure that private individuation of God's dominion would not deny the propertyless the means of satisfying their needs … Smith's arguments were designed to show how an economy of abundance could be created in which [the] ancient jurisprudential antinomy between the needs of the poor and the rights of the rich could be transcended altogether.[131]

[131] Hont and Ignatieff, *op. cit.* p. 2.

Smith thus moves Locke's argument forward with more explicit concern for employment, with a systematic demonstration of how the lowest members of society will benefit from an economic system capable of increasing total output. And it is indeed interesting to look at how Smith's own account of the difference between the condition of the day laborer and the elites of a "savage" nation is practically identical to Locke's:

> Compared, indeed, with the more extravagant luxury of the great, [the laborer's] accommodation must no doubt appear extremely simple and easy; and yet it may be true, perhaps, that the accommodation of an European prince does not always so much exceed that of an industrious and frugal peasant, as the accommodation of the latter exceeds that of many an African king, the absolute master of the lives and liberties of ten thousand naked savages.[132]

It is precisely on account of this arrangement that Hont and Ignatieff argue that Smith's system was capable of exploding the terms of the age-old debate on the right to property and the *suum.* For the classical economists the market itself ensured that the propertyless received their due, in this manner preserving, *mutatis mutandis,* the natural legal conception of the *suum* in commercial society.

I am advancing Hont and Ignatieff's argument by contending that Smith was able to put this debate to rest, moving it onto an economic terrain, through a theory and concept of capital, according to which the wealth of the propertied class, that is to say their savings and investment, was used to hire labor. Smith's theorization of the

[132] Smith, *op. cit.* p. 24.

capital-wage-labor relation is articulated in book II of the *Wealth of Nations,* "On the Nature, Accumulation, and Employment of Stock." Here, Smith begins chapter I, "Of the Division of Stock," of book II, by arguing that a property owner's "whole stock … is distinguished into two parts. That part which, he expects, is to afford him [a] revenue, is called his capital. The other is that which supplies his immediate consumption." Smith then goes on to describe the "ways in which a capital may be employed so as to yield a revenue."[133] There are two components of the revenue generating portion of capital, which Smith refers to as fixed and circulating capital, respectively. As the names indicate, the first refers to that portion of the capital that generates a revenue without changing hands, the second by being exchanged, "by circulating or changing masters."[134]

The fixed and circulating capital of society is consumed—at different relative rates, slower in the case of fixed, more rapidly in the case of circulating—in the production process, and must therefore be replaced if the stock of society is not to be diminished. Thus, Smith argues:

> Though the whole annual produce of the land and labour of every country is, no doubt, ultimately destined for supplying the consumption of its inhabitants, and for procuring a revenue to them; yet when it first comes either from the ground, or from the hands of the productive labourers, it naturally divides itself into two parts. One of them, and frequently the largest, is, in the first place, destined for replacing a capital or for renewing the provisions, materials, and finished work, which had been withdrawn from a capital; the other for constituting a revenue.[135]

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[133] Smith, *op. cit.* p. 279.
[134] *Op. cit.* p. 282.
[135] *Op. cit.* p. 332.

The exact same set-up is the case for an individual firm. "Of the produce of a great manufactory," Smith says, "one part, and that always the largest, replaces a capital of the undertaker of the work; the other pays his profit, and thus constitutes a revenue to the owner of this capital."[136] After making this distinction between the parts of the annual produce, Smith proceeds to examine how it is that the part of the produce that goes towards the reproduction of the stock actually accomplishes this.

It is here that Smith introduces the division between productive and unproductive labor and—crucially for my argument about the relationship between his theory of capital and the classical political economists' theories of population—suggests that the annual produce that is used to replace capital stock does so by employing productive labor. As Smith puts it, "That part of the land and labour which replaces a capital, never is immediately employed to maintain any but productive hands." Then, in the next paragraph, he claims that "Whatever part of his stock a man employs as a capital, he always expects it to be replaced to him with a profit. He employs it, therefore, in maintaining productive hands only."[137] The only way, that is, that the stock of society will be maintained is if its owners ensure that they replace it through hiring productive labor.

It is true that property owners could choose to squander their capital by transferring to revenue funds which ought to be used to replace or accumulate capital. But in this case the property owner would not remain an owner of stock for long.

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[136] *Ibid*.
[137] *Ibid.*

Smith recognized, as O'Donnell argued, that "capital exists in order to earn profits, and does so by hiring productive labour."[138] A rational, self-interested owner of stock would of course reinvest the necessary funds for the maintenance and accumulation of his capital. This is why Smith emphasizes the virtues of saving, for he believes that it is the source of all capital.

Smith believes that by saving, by deferring consumption and reinvesting, capitalists must end up hiring more and more laborers. As McNally points out, "Smith tends to see accumulation exclusively as a process which increases the demand for and the wages of labour. Smith's growth model thus conceives of capital as a fund to maintain productive labourers—a fund which is annually reproduced."[139] Every added amount of capital ends up, to greater or lesser degrees, being laid out for the purposes of hiring additional workers. Thus, Smith argues, "The proportion between capital and revenue, therefore, seems everywhere to regulate the proportion between industry and idleness. Wherever capital predominates, industry prevails … Every increase or diminution of capital, therefore, naturally tends to increase or diminish the real quantity of industry, the number of productive hands … and the real wealth and revenue of all its inhabitants."[140] Saving, Smith is saying, leads to capital formation, which necessarily results in increased labor demand. Crucially, Smith is

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[138] O'Donnell, Rory. *Adam Smith's Theory of Value and Distribution: A Reappraisal*. Studies in Political Economy (Academic Press, Macmillan Press). Basingstoke: Macmillan, 1990, p.58.
[139] McNally, David. *Political Economy and the Rise of Capitalism: A Reinterpretation*. Berkeley: University of California Press, 1988, pp. 241-242.
[140] Smith, *op. cit.* p. 337.

here emphatic that the savings of owners of stock is not hoarding. Savings, rather, equals investment; thus, by saving income flows that could be consumed as revenue, owners necessarily employ labor. Here is the crucial passage:

> What is annually saved is as regularly consumed as what is annually spent, and nearly in the same time too; but it is consumed by a different set of people. That portion of a revenue which a rich man annually spends, is in most cases consumed by idle guests, and menial servants… That portion which he annually saves, as for the sake of the profit it is immediately employed as a capital, is consumed in the same manner and in the same time too, but by a different set of people, by labourers, manufacturers, and artificers, who re-produce with a profit the value of their annual consumption.[141]

Smith is of course wrong about this. For, as Marx would point out in volume 2 of *Capital,* Smith is here demonstrating the confusion in his conception of the fact that part of the annual production also includes produced constant capital, i.e. produced means of production.[142] Of course, as Marx also points out, it is odd that Smith makes this claim, for in the previous passages, quoted above, Smith is well aware that part of the returns of the capitalist must go to replenish his stock.

I believe that we can understand Smith's error in the following terms. If we were, for instance, to imagine the production of corn (what the English called wheat, or generally, bread grain), the cycle starts with the seed, which is part of the constant capital, other means and materials of production such as tools and draft animals, and

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[141] *Op. cit.* p. 337-8.
[142] Marx, Karl Frederick Engel. *Capital: A Critique of Political Economy Volume II the Process of Circulation of Capital*. New York: International Publishers, 1976, pp. 360-391.

laboring men. If we assume no wear and tear on the tools and animals, then we can, for the sake of simplicity, keep them out of the account. In the process of the growing year, the farmer (who we will assume owns his own land and thus pays no rent), lays out money for the quantity of seed that he will plant; or, if he already has this on hand, saved from last year's harvest, he lays out the value equivalent of the seed, so far as his accounts are concerned. He also lays out money for labor, or what Marx called variable capital. Assuming simple reproduction, that is, no accumulation of the capital stock, the end result is as follows. More corn is produced from the harvest than went into the ground in the planting season. Part of the value of this corn, which is sold in grain markets, goes to pay the wages of the laborers, that is, to cover the variable capital. With the wages that these laborers have earned, which the farmer paid for from the sale of the grain, they survive; that is, they pay their house rent, buy food and clothing, other necessities, and some conveniences. The other part that is sold, the surplus value, is the corn produced over the course of the year that the farmer does not have to pay for. Because we are assuming simple reproduction, we assume that the capitalist also sells this portion, and that the money he gets in return covers his own annual consumption needs. But there is obviously a third part, left over. This is the seed that the capitalist farmer saves for the next planting season; it makes no difference if he does not actually save it in a grain crib, for if he does not, and instead sells his whole stock, he then only needs to go back to the grain markets in the spring to repurchase this same exact quantity of seed. It is this seed, that has to

go back into the production process at the beginning of the next cycle, that Marx calls constant capital.

Marx believed that Adam Smith had actually regressed from the perspective of the Physiocrats when Smith made the above statement about the whole annual product being consumed.[143] Because the Physiocrats believed that land was the sole source of value, and because they in turn looked at agriculture as the only source of the social surplus, it was perfectly clear to them that the farmer had to save constant capital for use in the subsequent cycle of production. The constant capital that is produced over the annual cycle of production cannot be consumed, if by consumed we mean the removal of something from the cycle of production. For instance, in the example of the farmer and his laborers, they indeed do consume the value portion of their consumption goods, and as far as they are concerned, this value disappears, insofar as it is transferred, in the form of money, to whomever they purchased these consumption goods from. Smith, then, Marx points out, makes two errors here. On the one hand, constant capital, as means and materials of production, (in our example, the seed corn), is not meant for consumption; on the other hand, if all of the constant capital (the seed corn) that was produced over the course of an annual cycle were to be consumed, then society would have to start its production over from scratch, every single year. That is, where would the farmer get his seed corn, if all of society's annual product had been consumed. Even for simple reproduction to take place, constant capital must be reproduced and preserved, not consumed.

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[143] *Op. cit.* p. 360.

As McNally explains, Smith is here articulating "a classic definition of capital as a wage fund—as a fund of money or consumer goods for maintaining labour during the (annual) production period."[144] Smith's blunder in failing to account for the reproduction of constant capital, which led to his believing that the whole product of society's annual production could be consumed (a belief which persisted well into the nineteenth century), was significant. But I believe that we can afford to be slightly more generous in our reading of Smith than Marx was. Because Smith does in other passages acknowledge the need to preserve means and materials of production for the next cycle, it may have been the case that he had something other in mind than the usual sense of the word "consumed."

Imagine that he had correctly accounted for the fact that the annual product consists of both capital goods which are consumption goods, and will be sold to people and then consumed, and capital goods that will not be consumed, but rather reappear in the production process the next year. If on this basis we were to try to make sense of what Smith is saying, I believe it lies in his notion that all of the means and materials of production that firms need for their next cycle are purchased from somewhere else. That is, imagine a different scenario of production, one in which, unlike agriculture, the constant capital cannot simply be held back by the farmer for use the next year. A shirt manufacturer, for instance, has constant capital in the form of cotton cloth. Assuming no wear and tear on his machinery and no rent on his plant, his costs would consist of the cost of the cotton cloth, thread, and labor costs. These

[144] McNally, *op. cit.*

three elements, cloth, labor, and thread, reappear in the form of a quantity of shirts. The capitalist sells these, all of them, on the market. He pays his laborers out of the portion of the value of the sale that cover their wages, i.e. the variable capital. He would indeed not engage in production of shirts if he did not expect to make a profit, and this profit comes from what Marx called surplus value. That is, the value of the shirts that the laborers made that the capitalist did not have to pay for. Assuming again simple reproduction, the capitalist takes this surplus value, and uses it to purchase consumption goods for himself. In this case there is still a third component, the constant capital represented in the final product of shirts. The capitalist has sold all his shirts, so he takes the monetary equivalent of this constant capital, goes back to the wholesale market, and purchases more cotton cloth and thread. This is his constant capital, which, unlike the farmer, he needs to purchase from another capitalist.

It seems that Smith's idea, the validity of Marx's criticisms to one side, was that all along the way, laborers are involved to work up the products that are annually produced. This is not an attempt on my part to attribute a coherence to Smith's conception that was not there. But Adam Smith was of course not stupid, and while Marx's identification of his errors are important in order to get a clear idea—the getting of which is, by the way, a very difficult task, as it is presented in Marx's Volume 2, at any rate—of the abstract process of simple reproduction undertaken along capitalist lines, I think that it is possible to extract from Smith's declaration about savings equaling spending a vision of an economy in which, because there is so

little machinery, laborers are needed every step of the way. The cotton cloth makers constant capital may include rope, for instance. He sells cotton cloth to the shirt manufacturers, and uses some portion of these sales to buy rope. The rope manufacturers hire laborers (their labor-power), to work up his own constant capital to make this rope. The rope maker's constant capital comes from another capitalist; say part of it comes from a coal mine. Smith involves himself in a kind of infinite regression where, in the process of every capitalist buying from every other capitalist, labor is always necessarily hired in the working up of every product, whether consumption goods or capital goods.

Even if we try in this manner to make some sense out of Smith's puzzling error to include constant capital in his account of the process of the production and reproduction of the annual product of societies total labor, however, his account is still, especially for the modern reader, befuddling. Why is it the case that capital accumulation, for Smith, always ends up resulting in additional hands, additional labour, being hired? Why is it that capital is always labor attracting? The answer must in part lie in the fact that in a society such as Smith's, in which the use of machinery was still in its very early stages, economic growth, especially outside the agricultural sector, was driven by the proliferation of the division of labor. Machinery in Smith's day was indeed being used in the production process. The mode in which it was being used, the limitations of the stage of technological development and engineering during the mid- to late-eighteenth century, however, was such that Smith, and indeed later Ricardo, were able to persuade themselves that even when machinery did

replace labor in a specific line, the net effect was to increase the demand for labor in other lines of manufacturing. That is, what Smith really has no good account of, or where his account is even worse than his account of constant capital, seems to me to be in his account of "fixed capital." That is, the capital that does not circulate, does not reappear in the final product, or, insofar as it does, only does so in its progressive deterioration.

A modern shirt manufacturer, in other words, uses a machine. This machine does not transmit its value to the final product, the batch of shirts, in the way that constant capital does. Rather, it does so only piecemeal, slowly, over its whole lifespan as it wears out. But Smith did not live in a society in which machines had the kind of massive power of the heavy machinery used in large-scale industry in Marx's time.

It was thus possible for Smith and later even for Ricardo to conceive of a process whereby the implementation of machinery, while making some workers redundant, gave rise to productivity gains that increased labor demand in other sectors of the economy. Smith therefore constructed a concept of capital that presupposed that while the use of fixed capital and machinery in a proliferating division of labor made labor much more productive, the result of these productivity gains would ultimately be the increased demand for labor in the production process, taken as a whole. He describes this in a crucial passage, that summarizes his conception of the whole process. "The undertaker of some great manufactory," Smith says, "who employs a thousand a-year in the maintenance of his machinery, if he can reduce this

expence to five hundred, will naturally employ the other five hundred in purchasing an additional quantity of materials to be wrought up by an additional number of workman."[145] It is this capital concept, as saved income, necessarily used to put ever more labor in motion, that is so crucial to the classical economists theory of population, according to which population and living standards are regulated by capital accumulation. Without such a conception of capital as labor-attracting, the classical political economists would necessarily have had to face the prospect that through the employment of machinery, portions of the workforce would be thrown out of work. Given widespread enough implementation of machinery in production, such a conclusion would necessarily, in turn, have pointed to an endogenous tendency, in the accumulation process itself, which led to the destabilization of the capital-wage-labor relation, and the formation of surplus populations. Here, surplus populations would have had to be recognized as the result not of the excessive procreation of the working class, but of capital accumulation itself. And this, of course, would have jeopardized the socio-naturalistic conception of employment as the natural mode of the mediation between the propertyless and their means of subsistence.

Such a scenario would indeed come to be feared by the later, more critical political economists Sismonde de Sismondi and John Barton. So too, Marx's compatriot Friedrich Engels put forward a much different analysis of production and its relationship to population, in which the direct result of the implementation of

[145] *Op. cit.* pp. 287-8.

machinery was the replacement of workers, the steady degradation of their living standards, and the formation of surplus populations. These thinkers, however, represent a divergent line, breaking from the orthodox tradition; they also wrote in a later period. For by the mid-nineteenth century it would become clear, especially to Marx and Engels, that surplus populations were a necessary consequence of capital accumulation, and definitively not of the laboring class's tendency to reproduce beyond the demand of the capitalist class for their labor.

For Marx, this discovery would eventually necessitate a radical reformulation of the classical political economists' theory of population and living standards, grounded in a concept of capital and theory of the capitalist mode of production which was able to account for the actual dynamics and crisis tendencies of capital accumulation, in a context in which producers were employing massively powerful machinery at break-neck pace. It is this lineage, beginning with the critical political economy of Sismondi and Barton, ending with Marx, that shattered the orthodox classical political economic theory of the natural equilibrium relationship between capital and population.

1.5. The Un-Natural History of Primitive Accumulation

Before closing this chapter, I wish to highlight what I interpret as one of the ideological effects, at a historiographical register, of the socio-naturalistic conception of employment developed by Locke and Smith, and its establishment as orthodoxy in classical political economy's treatment of population. The idea that the *suum* of the

propertyless could be guaranteed through the mechanism of employment was in fact developed and advanced during a tumultuous period in the evolution of capitalism in England. Across the century and a half separating Locke from Ricardo, England continued to evolve economically along lines established by a pattern of capitalist social property relations which had deep roots in its feudal past. This historical evolution, in stark contrast to the socio-naturalistic fables offered by Locke to explain the formation of property and man's passage from the state of nature to society, was anything but natural. The classical economists' naturalization of employment as the mediation of the propertyless labor force with its means of subsistence, their idea that the propertyless would be better off as employees of property owners, and their theories of population, rooted in a socio-naturalistic conception of the capital-wage-labor nexus; these contributed to political-theoretical and historiographical discourses which obscured the traumatic reality of the transformation of the inhabitants of the English countryside from peasants and small holders to proletarians. This may be seen, I show, by setting Locke and Smith's fables of the emergence of private property and of employment as the mediating link between the propertyless and their means of subsistence against historiographical work done on the origins and development of capitalism in England.

As is well known, the economic history of England in the late-medieval and early modern periods involved a long process of dispossession of the peasantry, achieved through enclosures of common lands and a host of other coercive measures. Here, it is worth recalling that in contradistinction to those accounts of the rise of

capitalism which focus on industrialization, locating its emergence around the industrial revolution, capitalism in early modern England was in fact a distinctly agricultural phenomenon. Required for the establishment of agrarian capitalism was the dispossession of the countryside-dwelling population. For a propertyless working class, lacking immediate access to their own means of subsistence, is the *sine qua non* of capitalism; without the creation of such a class, English agriculture would have been still-born.[146] Such a class of formally free laborers was indeed created through violent conflicts over securing or restricting access to common lands, and this was the terrain on which the base of this capitalist economy took shape. A passage from Neal Wood captures this evolution:

> From mid seventeenth century the number of peasant freeholders sharply declined, the victims of the drop in grain prices and the pressure of large proprietors. Land ownership was becoming concentrated in the hands of an ever smaller number of landlords. Agrarian organization of the countryside began to manifest the triadic nature—so familiar in the writings of the classical political economists—of landlord, capitalist tenant farmer, and laborer, each respectively living on rents, profits, and wages.[147]

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[146] Brenner, Robert. "Agrarian Class Structure and Economic Development in Pre-Industrial Europe." & "The Agrarian Roots of European Capitalism." In, *The Brenner Debate: Agrarian Class Structure and Economic Development in Pre-Industrial Europe*. Aston, Trevor Henry, T. H. Aston, and C. H. E. Philpin, eds. Cambridge University Press, 1987. Brenner, "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism." *New Left Review*, no. 104 (August 1977): 25–92; Marx, Karl. *Capital: A Critique of Political Economy*. New York: Vintage Books, 1977; McNally, *Political Economy and the Rise of Capitalism.*

[147] Wood, Neal. *John Locke and Agrarian Capitalism*. Berkeley: University of California Press, 1984, pp.18-19.

This process of the decline of the English peasantry and the smallholder was of course hardly a smooth and peaceful one. For, as Perelman reports, the creation of an English agrarian proletariat required these former peasants to be disposed, evicted from their tenancies, restricted from customary access to common grazing land, prohibited from gleaning firewood in demesne land, even restricted from hunting game.[148] Eventually, even the sturdy yeoman class of small scale owner-operators began to go under, as larger and more productive farms grabbed up increasing shares of the market in grain and livestock. Thus, while capitalist property relations did not then, and in fact never have, spread evenly across space and time, it was nevertheless the case that eventually a large dispossessed class of former peasants, small-holders, commoners, and yeoman gradually fell into the ranks of the wage-dependent, propertyless working classes.

What drove this world-historical shift? One might, of course, say the drive for profits; this, however, would be begging the question. The answer, rather, seems to lie in the unique class alliances of the English landed class, and the tendency this gave to early state formation, relative to the European continent. In a seminal essay on the subject, Robert Brenner argued that capitalism was essentially the unintended consequence of the uniquely centralized form of English feudalism and the lords comprising its upper ranks. As Brenner has argued, this evolution was the result of a unique and precocious class-solidarity amongst the lords in vast swathes of the

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[148] Perelman, Michael. *The Invention of Capitalism: Classical Political Economy and the Secret History of Primitive Accumulation*. Durham, N.C: Duke University Press Books, 2000, chapter 3: "Primitive Accumulation and the Game Laws."

English countryside, perhaps a vestige of the clan alliances dating back to the Norman invasions. The upshot, eventually, was the early centralization of state power, the institution of the King in Parliament and the Crown's dependency on the landed elites for tax revenues. This went hand it hand, Brenner argued, with a kind of "economically constituted power" amongst the landlords, vested in exclusive property rights and exemption from arbitrary taxation.[149] This configuration set England's ruling class apart from the feudal and post-feudal absolutist states on the continent, where power was still largely "politically constituted," that is, anchored in the nobility's ancient right to mobilize coteries of armed men, even as this was evolving within the centripetal framework of the Absolutist States.[150]

Brenner argued that in return for their relinquishing of political power, the landed nobility in England gained an economic power over their domains. This included the rights to establish, legally, absolute property rights over their holdings. As Brenner explains:

> [By] the end of the seventeenth century, English landlords controlled an overwhelming proportion of the cultivable land- perhaps 70-75 per cent- and capitalist class relations were developing as nowhere else, with momentous consequences from economic development. …[It] was the emergence of the "classic" landlord/ capitalist tenant/ wage-labourer structure which made possible the transformation of agricultural production in England, and this, in turn, was the key to England's uniquely successful overall economic development.[151]

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[149] Brenner, "The Agrarian Roots of European Capitalism," pp. 87-88.
[150] Brenner, *op. cit.* p. 83.
[151] Brenner, "Agrarian Class Structure and Economic Development in Pre-Industrial Europe," pp. 48-49.

It was this development in social property relations which led to increased division between wage laborers, on the one hand, and owners of the means of production and subsistence on the other. For their relative freedom of property allowed landlords far more flexibility over leases with tenants, and their role as officers in the Justice of the Peace essentially put them in the position to decide on cases in which they were directly involved.

These dynamics were also responsible for establishing an economic logic amongst the lords, other land owners, and tenants. One of the principle results of this high degree of freedom of property was the establishment, very early on relative to the rest of Europe, of an exchange society, in which prices for leases and rents were the subject to a competitive market-logic. The interests of local elites were, often, to maximize their output through purely economic means, which brought about a revolution in agriculture and gave it a distinctively capitalist form. This established market-imperatives, according to which the long-term survival of farms and the tenants who leased and operated them depended upon the intensification and rationalization of production; and not just any production, production for sale. The economic logic of maximization meant that landlords and capitalist tenants were becoming more and more attuned to the need to implement labor saving implements and to improve their land through "careful management, land drainage and reclamation, the use of fertilizers, [and] hedging and ditching enclosed land."[152] Figures from Locke, to the Physiocrats, to Arthur Young were fascinated with the

[152] Hill, *op. cit.* p. 66.

process of "improvement" of land, a process entailing construction of drainage and irrigation ditches, adoption of the three-field system, extensive manuring and planting of fodder crops, floating of water meadows, and consolidation and rationalization of production.

This new dispensation in social property relations resulted in the emergence of "a new kind of society, an economic society, uniquely driven by compulsions of competitive production, increasing labour productivity, profit-maximization, and constant capital accumulation."[153] It also resulted, through subjection of lease-holdings to market competition, the increased autonomy of lords in setting the terms of their leases, and enclosure of common lands, in masses of former peasants, who over the course of the period, from the late-fifteenth to the late-eighteenth century, were proletarianized, i.e. completely cut off from their means of subsistence, and forced to work for wages in order to *purchase* necessities with their earnings.[154] By contrast, as Brenner has pointed out, both Prussian and French peasants retained what amounted to "ownership" of smallholdings, securing direct and immediate rights to their means of subsistence, long after English peasants did.[155] Continental peasants thus were only forced to submit to wage labor in order to supplement their income, or as part of off-season or household-based "putting-out" work. These pre-capitalist relics hung on in areas of Western Europe far longer than in England, where a market

[153] Wood, Ellen *op. cit.*, p. 8.
[154] Hill, *op. cit.* p. 45.
[155] Brenner, "Agrarian Class Structure," pp. 41 & 54ff..

logic had been developing in agriculture since the final liquidation of feudalism in the late fifteenth century.[156]

Indeed, the formally free laborer at the center of these epochal shifts was a wholly unique world historical figure. In the ancient Mediterranean world, where economies were in large part based on slave labor in agriculture, or in medieval Europe, in which the institutions of feudalism and the Church organized the production of food, the power of the patriarch or landlord was sufficient to enforce, violently if necessary, the agricultural laboring classes to work above and beyond their own immediate subsistence needs. The ability of the upper class to extract this surplus was, in the language of the school of Political Marxism, "politically constituted," that is, established through the use or threat of direct, physical, and if need be lethal violence. On the other hand, however, such arrangements of the *patria potestas* or *seigneurie* entailed a modicum of obligation in overseeing the wellbeing, for lack of a better word, of the slave or serf. In the case of feudalism this included, for the serf, a right to protection and, indeed, a form of occupancy. Even where serfdom persisted through the early modern period, i.e. where serfs were not emancipated and granted occupancy rights over smallholdings, it was often the case that their right to access the land for subsistence was secured through socio-cultural, religious, and even legal institutions. To take one such example, under the Russian form of serfdom, which disappeared around the time of the abolition of American slavery, the serf's relation to the land was such that, in Lazar Volin's description, the

[156] *Op. cit.* pp. 46ff.

land may have been the in the possession of the landlord, but the serf was in the possession of, i.e. belonged to, the land itself.[157] Landlords, under such conditions, did not have property in the land that was exclusive in the modern sense of being able physically to exclude the presence of the serf, for the serf literally belonged to the land.

Unlike medieval serfs bound to a landed estate, who produced to meet their own immediate subsistence needs and turned a portion of their produce over to their landlord along with periodic labor duties on his *desmense,* wage-workers under capitalist social property relations labor under a degree of freedom. In fully liberal-democratic capitalist societies, this sector is not forced to work via any means other than the simultaneously objective and subjective need to earn money to make purchases. As Marx pointed out, this freedom often meant little else than the freedom, if one so chose it—and often when one did not—to starve. For, especially in a society such as that of early modern England, the consequences of not working—even without the draconian laws against vagabondage—would have been dire indeed. Nonetheless, where domination under the threat of violence does occur in such societies, as in the workhouses of early capitalist England, such coercion is organized centrally, by the state: it is not typically the prerogative of individuals acting in the capacity of head of a business interest to punish, let alone kill, a subordinate who refuses to work.

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[157] Volin, Lazar. *A Century of Russian Agriculture: From Alexander II to Khruschev*. First Edition. Cambridge, Mass: Harvard University Press, 1970.

During the eras of Locke and Smith, then, capitalist social property relations had already long been established. The capital-wage-labor relation—a relation which would not be generalized across much of Europe until the nineteenth century, and in some regions not until relatively recently—was here the natural mode in which the propertyless, as employed, gained access to their means of subsistence. It was precisely this population, the propertyless workers, the classical economists theorized, whose numbers would almost mechanically adjust to the accumulation of capital and the labor-demand it generated, and indeed benefit from their position as one of the principal factors of the production process. The evolution of capitalist property relations in England had, as Locke and Smith believed, led to a revolution in agricultural production and profound changes in its population. One of the signal achievements of this revolution was England's ability to break out of the time immemorial pattern of economic growth, often described as the "Malthusian" pattern. According to this pattern, growth of population in times of economic flourishing invariably lead to population pressure. This would, in turn, bring on crises of scarcity and, potentially, famine. This "Malthusian-cycle," Robert Brenner argued, characterized economic and demographic development on the Continent, and indeed the rest of the world; in England, on the other hand, a world historical shift was occurring. As Brenner described it:

> [In] France, as population increased, there was extreme fragmentation of holdings and declining productivity. But in England, by contrast, the dominant tendency was to build up larger and larger units, to consolidate holdings and to farm them out to a large tenant farmer who in turn cultivated them with the aid of wage labour. Accompanying this change in the organization of

> production were major increases in agricultural productivity, with truly unprecedented results. By the end of the seventeenth century, English population had returned to its high, late-thirteenth century levels, but there was nothing like the demographic pattern of seventeenth century France, no "phase B" following inescapably from "phase A". Instead we have the final disruption of the Malthusian pattern and the introduction of a strikingly novel form of continued economic development.[158]

This was a period of rocketing increases in efficiency of agricultural production, in which for the first time in human history population growth and a departure of considerable portions of the labor force from agriculture took place, *simultaneously*.

As Wrigley reports, "by 1800 England's population would be growing more quickly than that of any of its continental counterparts, while the proportion of its labor force occupied in agriculture continued to plummet. In 1800, 40% of the male labour force in England was employed on the land, on the continent this figure was between 65-80%."[159] Few societies anywhere had ever maintained such a small proportion of their population engaged in agriculture, under any conditions, let alone those of actual demographic expansion. This novel form of economic development predicated on increased agricultural productivity would eventually lead not only to the proletarianization of the former peasants, but also to their redundancy, as far as agricultural labor was concerned. Agricultural output per head probably doubled in England from 1600 to 1800, and this was the condition of the possibility not only of a

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[158] Brenner, "Agrarian Class Structure," p. 24-41.
[159] Wrigley, E. A. *Poverty, Progress, and Population*. Cambridge; New York: Cambridge University Press, 2004, p. 24.

very rapid growth in population but also the development of a home market for proto-industrial manufactory goods.

However, this process of agricultural improvement, the consolidation of capitalist property, and the establishment of markets in land, labor, and capital, also brought paradoxical results. On the one hand, the productivity of English agriculture, and thus in many cases standards of living, too, were dramatically improved. At the same time, however, this very process led to the profound destabilization and uprooting of traditional means of gaining a livelihood for the poor and laboring classes. This, I would argue, is the real "paradox" of modern society; it was a process through which the capital-wage-labor relation, that indispensable element of the dynamic drive toward accumulation of surplus value and profit, could only be established through violent and coercive means; it was a process, furthermore, which, even after having been established, hardly achieved, for many, the roseate view in which Locke and Smith saw the English laborer.

Needless to say, very little of this story—of the enclosures of the commons and the making of the English working class—enters into the mythic accounts of Locke and Smith. Rather, in their accounts, private property, agricultural improvement, and the dynamism unleashed by the division of labor and pursuit of economic self-interest are presented as the rational result of the very nature of human beings, and the natural relationship between human beings and the earth. For Locke and Smith, such arrangements, of propertied owners and propertyless, were not only natural, they were beneficial to all of society. The division of society into owners and

workers was an indispensable part of the articulation and refinement of the division of labor, the key, for both thinkers but especially for Smith, to the cheapening dynamics in production that were so necessary to raising standards of living for all. The inequalities of these societies, when they were not taken for granted, were justified on the basis that such hierarchies were part and parcel of the evolution of a commercial society, a phenomenon which entailed even the poorest ending up with living standards far above those of the rich, and more equal, but far poorer nations.

Yet the men and women who had long been legally and formally separated from their means of subsistence, and all but forced to work for owners of capital, had no guarantee that their experience as a laborer would be the same as Locke's day laborer, or the laborer of Smith who must have been, he thought, wealthier than an African king. For one, the amount of time these propertyless workers had to spend actually working went up astronomically. As Christopher Hill, for instance, reports, "Workers in 1530 had to labour fourteen to fifteen weeks per year to earn their daily bread. Two centuries later these workers would toil fifty-two weeks for the same sustenance."[160] Nor did this epoch-making transition necessarily lead, across the board, to increased standards of living, as Locke and Smith's solution to the "paradox of modern society" suggested. For, "During this period," according to Hill, "a proletariat began to be differentiated from the rest of society, organized in gilds and manors. Industrial specialization, especially in mining, produced workmen who were dirtier than their fellows; being less well fed their teeth tended to decay early, their

[160] Hill, *op cit.* p. 15.

children to be deformed by rickets."[161] The guarantee that the *suum* of the propertyless would be ensured by their employment was for some, it seems, apparently more of a theoretical, than an actual assurance.

Over the course of the nineteenth century, figures that Marx referred to as the "vulgar" economists, apologists for the state of the poor, ready to blame the huddled masses for their own poverty, built on Malthus' naturalistic conception of poverty arising out of an inherent tendency for population to outrun the means of subsistence. I have attempted to show in this chapter that there is another, deeper level at which it is possible to locate the ideological ground of the classical political economists' theories of population. The foundations of the idea that employment serves as the naturally occurring mediation between property and population, I argued, run as deep as the socio-naturalistic conception of property itself, the idea, upon which liberal social thought and classical political economy rested, that property is the natural result of human life itself. Locke and Smith's respective accounts of the story of the development of property, capital, and employment, from the state of nature to civil society, not only naturalized the capital-wage labor relation, they also obscure the real history of its coming into being, the process, as Marx famously described it, through which "capital comes dripping from head to toe, from every pore, with blood and dirt."[162]

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[161] Hill, *op. cit.* p. 59.
[162] Marx, *Capital,* p. 926.

Chapter 2. The Laboring Poor and the Future of Civil Society: Commodity Fetishism and Classical Political Economy's Historical Materialism without Social Form

2.1 Argument

In this chapter I further develop an analysis of the classical political economists' socio-naturalistic conception of population, and the socio-naturalistic character of their theories of population and living standards. My analysis builds from the argument of the previous chapter. There, it will be recalled, I argued that the population theories of the classical political economists were grounded in a socio-naturalistic conception of employment as the naturally occurring mediation between the population of the propertyless laboring classes and their means of subsistence. I traced this conception of the natural basis of propertylessness and employment back to John Locke's theory of property. From there, I argued that Locke's nebulous conception of the capital-wage-labor relation, and of employment as the mediating link between propertylessness and subsistence, was further developed by Adam Smith. Smith, I suggested formalized and gave a more analytical and economic character to this conception of employment as the mediating link between the propertyless and their means of subsistence. He accomplished this, I argued, through his construction of a socio-naturalistic concept of capital, as stored up means of production, which the property-owning class saved through deferred consumption.

According to Smith's concept of capital, this stock of means and materials of production was used, in its entirety, to hire propertyless laborers.

We also saw in the previous chapter the nature of Smith's mistakes in his conception of the total reproduction of society, in which he failed to account for the reproduction of constant capital, and the related error he made in suggesting that the entire total product of annual production was consumed. Nonetheless, for the tradition of classical political economy and the thinkers who followed in Smith's footsteps—who, indeed, inherited these errors—Smith's analysis and formalization of the relationship between capital and the propertyless secured a kind of theoretical and ideological connection between the two. For the propertyless laboring classes, according to Smith's theorization, could expect to have their subsistence needs met through employment by capital, and this relationship would be perpetuated, according to the orthodox position of classical political economy, precisely because capital investment was conceived of, in the main, as used to hire labor.

In the current chapter I extend this analysis of classical political economy's socio-naturalistic conception of the relationship between capital and population. Here, the focus of my examination will be trained on the ideological and phenomenological basis of three aspects of the discipline's theories of population, which are present, more-or-less continuously, from Adam Smith to his successors in the nineteenth century. These are 1) The classical political economists' theory that population was regulated by employment demand, and this was the natural form of the regulation of population. As we saw in the summary review of the classical political economists'

theories of population presented in the Introduction, this was the almost universal conception of the relationship between population and capital. 2) The theory of the "stationary state," a no-growth, low-wage, equilibrium condition, brought about by natural limits to growth. The rudiments of this theory were first articulated by Smith, and its premises were accepted in the work of Ricardo and Malthus. The stationary state theory pointed to the possibility that the development of civil society might well terminate in such a no-growth, low-wage condition. And 3) Speculations on the possibility of the development of an economic rationality amongst the laboring classes. The classical political economists were aware that the propertyless often delayed marriage and family formation until they had the means to support themselves and the children that would inevitably follow from coupling. This was the basis, I suggest, for a line of thought that developed from Richard Cantillon, to Smith, to Malthus, to Nassau Senior, and, finally, to the "vulgarizer" J.R. McCulloch. This line of thought raised doubts about the link between high wages and fertility, due to the fact that the laboring classes indeed appeared capable of refraining from marriage in bad times—which would indicate that they could perhaps do so in good times as well—along with apparent declines in fertility amongst the wealthy. The upshot, it was imagined, was that the living standards of the poor, and what counted as "subsistence" from a societal perspective, might be raised and stabilized indefinitely.

I attempt to explain these three aspects of the classical political economists' theories of population and living standards as, at bottom, deriving from their socio-naturalistic vision of capitalist production and their failure to grasp the historically

specific social forms that ground the capitalist mode of production, social forms which give this mode of production its unique developmental dynamics and crisis tendencies. This failure, I suggest, was part and parcel of a method of social and historical analysis which the classical political economists inherited from their Enlightenment predecessors, and indeed from Adam Smith himself. Taking a cue from the work of Patrick Murray, I refer to this method of social analysis as "historical materialism without social form."[163] Historical materialism without social form characterizes classical political economy's historical thought precisely because, despite the fact that many of its major thinkers indeed had a deeply historical outlook—an outlook which is displayed in their theories of the emergence of civil society; their analysis of the differences in wealth and national character between peoples; their comparative evaluations of ancient versus modern societies; and their theories of population, its history, and its possible long-run trajectories of development—it was nevertheless the case that their historical vision, especially with respect to the historicity of their own society and its grounding social forms, was seriously limited.

As was pointed out in the Introduction, for Marx, one of the most glaring symptoms of the limitations of the classical political economists' historical vision was their failure to grasp the historical and social specificity of the social property relations and the social forms of their own society. As Marx maintained, according to

[163] Murray, Patrick. "The Illusion of the Economic: Social Theory without Social Forms." *Critical Historical Studies* 7, no. 1 (March 1, 2020): 19–27.

the ideological vision of the classical political economists, capitalism was not a socially and historically specific form or mode of production at all. Rather, as they saw it, what would later be called capitalism (they did not refer to it as such), was simply the natural form of production and exchange, as such, which arose, universally—or at least would, where it was not blocked by artificial institutions, superstitions, bad political arrangements, or simple backwardness—out of man's very nature as a rational being and his need to have constant intercourse with the earth in order to survive. As Jonathan Israel put it, "For ... Adam Smith, divinely ordained design infuses all features and the successive stages of civil society itself."[164] Because the classical political economists naturalized, or even, as Israel suggests, "Providentialized," the economic base of their own society, they felt no pressing need to analyze the social forms upon which the capitalist mode of production takes shape and is based; for what need is there to investigate the ground and basis of what is self-evidently natural and rational?

The classical economists' economic theorizing took place within this purview, what Rubin referred to as a "bourgeois encirclement," and Marx called the "bourgeois horizon."[165] From this vantage point, which took the social forms of the capitalist mode of production as natural and given, the classical political economists attempted

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[164] Israel, Jonathan. *A Revolution of the Mind: Radical Enlightenment and the Intellectual Origins of Modern Democracy*. Princeton, N.J: Princeton University Press, 2010, p. 9.

[165] Rubin, Isaac Ilyich. *History of Economic Thought*. London: Pluto Press, 2007, p. 170. Marx, Karl. "Letter to P. V. Annenkov, December 28, 1846," in *The Poverty of Philosophy*, New York: International Publishers, 1963, p. 190. I am grateful to Patrick Murray for pointing out this quote.

to develop theories of value and distribution which captured the social metabolism of commodity-capitalist society. They did not, however, and could not, explain the historicity of its grounding social forms.

While thinkers like Smith and his fellow members of the Scottish Enlightenment indeed did take a historical perspective on the development of societies towards commercial, civil society, as may readily be seen in their writings on the evolution of societies from "rudeness to refinement,"[166] it was the presupposition of the naturalness of this endpoint, of the naturalness of the "refinement" of civil society, which rendered a truly social explanation and historical-sociological investigation into its grounding social forms superfluous. This inability to grasp the historical specificity of the social forms grounding capitalism, among other problems, thus gave their analysis of capitalism's developmental dynamics and a deeply ahistorical character and blinded them to the source of capitalism's crisis tendencies. For again, it would not have been expected that what is the most natural, and rational, system of social organization would itself be the source of disequilibria, let alone crisis.[167]

In this chapter, I argue that this ahistorical ideological foundations of the classical political economists' economic analysis profoundly affected their analysis of the relationship between capital, population, and living standards and their speculations on how this relationship would develop across the future of civil society.

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[166] McNally, David. *Political Economy and the Rise of Capitalism: A Reinterpretation*. Berkeley: University of California Press, 1988, p. 58.
[167] Israel, *op. cit.*

On the one hand, this ideological outlook was the basis of their rather acritical conception of population, as thing-like, and objective, in its determination by employment. As we saw in the Introduction, for the classical political economists, employment demand—established by thinkers like Locke and Smith as the naturally occurring mediation between the propertyless and their means of subsistence—by operating on wages, regulated population; numbers of people were in these theories conceived of in thing-like manner, objectively determined by increases (or decreases) in demand for labor. To repeat a quote from Smith referred to above, "The demand for men, like that for any other commodity, necessarily regulates the production of men; … It is this demand which regulates and determines the state of propagation in all the different countries of the world…."[168] Apparently, for Smith, this extended even to those countries in which the capital-wage-labor relation, that is, employment as it existed in his society, had not yet come into being!

On the other hand, with respect to their prognoses regarding the future of civil society, I show that the classical political economists' historical materialism without social form and their naturalization of capitalist society was responsible for the dualistic and ultimately mystified character in their speculations on the possible developmental trajectories of population and living standards. The propertyless laboring poor, i.e. the population, were the central characters in the classical political economists' opposed visions of how the evolution of population and living standards might develop across the future of civil society. As was stated above, according to

[168] Smith, *Wealth of Nations,* p. 98.

theses speculations, civil society could end up in a no-growth low-wage stationary condition. Smith, Ricardo, and their followers believed that society would indeed find itself stuck in such a condition if, as they suspected may be inevitable, avenues for the profitable investment of capital disappeared, agricultural cultivation ran up against the limits of arable land, and population maxed out against the limits of subsistence.

However, the classical political economists, especially those I look at from the early to mid-nineteenth century, speculated that the acquisition of an economic rationality amongst the laboring poor might lead to relatively high sustainable living standards for the propertyless. The problem of poverty could then be solved if the laboring classes acquired a taste for a wider range of "conveniences" and began to prefer high living standards to marriage and family formation. I suggest that in its initial stages this discourse parallels an eighteenth-century discourse on the beneficial effects of luxury on civil society. However, I also show that by the mid-nineteenth century, in the figure of McCulloch, this line of thought had degenerated into an apologetic defense of the status quo and the idea that only the poor could be blamed for their poverty. For McCulloch, civil society provided the context in which laborers had the freedom to make rational economic calculations as to the cost, in terms of "conveniences" foregone, of maintaining a family. To put this in the terms of modern neoclassical economics, he posited that the propertyless laboring poor ought to assess the "opportunity costs" of family formation and added-children in terms of "conveniences," which were of course commodities, foregone. It is in part due to his effort to deflect responsibility for the conditions of the poor away from the state, let

alone from the "system of natural liberty" itself, that McCulloch was, for Marx, the arch-vulgarizer of classical political economy.[169]

In advancing these arguments, my interpretation of Marx's theory of commodity fetishism will play a central role. For I contend that the ahistorical character of classical political economy's historical vision, their inability to grasp the historicity of their own society and its forms of production, may to a significant degree be explained by Marx's theory of the phenomenon of commodity fetishism. Marx's theory of commodity fetishism, I argue, helps to explain the character of the classical political economists' theories of population and living standards, because this theory helps to explain precisely why, in a capitalist mode of production, relations between commodities and their value determinations—which is precisely what the classical political economists were attempting to grasp in their theories of value and distributions, and in turn in their theories of population and living standards—both appear to be, and in a sense are, real, thing-like, objective. It is this objectivity of commodity relations that in part explains why capitalist society itself appears to be precisely *not* a form of economic life grounded in social relations but rather one which is grounded in nature and human reason. I argue this objectivity explains why it appeared natural to the classical political economists that populations of people would be regulated by employment; the flip-side of this, of course, is that this appearance of the natural basis of capitalism, by concealing its social and

[169] Marx, Karl. *Theories of Surplus Value*. Volume 3. London: Lawrence & Wishart, 1969, p. 168.

historical specificity, severely limited the classical political economists' ability to conceive of how the capital-wage-labor relation could be subject to destabilizations which were inherent in the dynamic of accumulation of capitalism itself.

Thus, I attempt to show that attention to the perspective and limitations of the classical political economists' historical materialism without social form, which I in part explain as a result of the phenomenon of commodity fetishism, elucidates what, from a Marxian perspective, the classical political economists' theories of population and living standards were able to grasp, and where, on the other hand, they lapsed into ideological mystifications and acritical speculation. My argument thus breaks with the interpretations of those commentators, to whom I drew attention in the Introduction, who have argued that Marx simply rejected classical political economy's population theory, that he "had no use for it," as Sweezy maintained, or that Marx himself naturalized population, as Federici argued. Such readings, which argue that Marx considered classical political economy's theories of population no more than an exercise in bourgeois apologetics can indeed be backed up by passages in Marx's and Engels' own respective works, in particular in their commentaries on Malthus. They are, nevertheless, too limited, because they are one-sided, and in their one-sidedness fail to account for the reality of the commodification of labor power, and the fact that the classical political economists' theories of population and living standards were registering precisely this, regardless of their inability to grasp the social form and ground of the phenomenon.

The objective thing-like appearance of relations between commodities conceals, as Marx argued, the social relations which relations between commodities in fact express, and in which they have their ontological ground. The significance of this, for my argument, is that I believe Marx's theory points to the idea that this concealment, and the thing-like objectivity in relations between commodities it gives rise to, entails a phenomenological effect of the naturalness of capitalist society itself. For in some sense what is objective is, from a "sense-certainty" point of view, akin to what is natural, if not straightforwardly equivalent to the natural.[170] The very thing-like objectivity of the relationship between commodities, the fact that the commodity form, in Marx's famous example, establishes that 5 yards of linen= 1 coat, is therefore not only a phenomenon which naturalizes this relationship; it is, furthermore, a phenomenon which naturalizes the whole system in which these relationships exist. That is, it is a relationship which naturalizes capitalism, or, to put it another way, is part and parcel of capitalism's naturalization, at the phenomenal level, of itself.

As Rubin, writing on Smith, reports, one of the senses of the idea "natural," which Smith invoked in his attribution of "naturalness" to commercial society, was precisely that its "economic phenomena possess an inherent, *'natural law-determined regularity* independently of any interference from the state." For Smith, Rubin continues, "the concept 'natural' embraces two characteristics: 1) *spontaneity,* and 2)

[170] For the naturalizing phenomena of sense certainty, see, Hegel, Georg Wilhelm Friedrich. *Phenomenology of Spirit*. Oxford, New York: Oxford University Press, 1979, p. 58ff.

law-determined regularity."[171] Marx's theory of commodity fetishism explains this natural-appearance of the law-like regularity of the relations between commodities that exist in capitalism. In fact, it does this at two levels, as it were. For it explains both the appearance of this natural, thing-like objective-seeming-reality and the reality itself. In this sense, through grasping Marx's theory one is able to grasp that these are mystified relations, for the relations between commodities are not self-grounded but only grounded in the social relations that establish them in the first place. On the other hand, this is in fact the objective reality, so far as practical economic matters are concerned, of capitalist society. In this sense commodity fetishism describes not an epistemological problem but an ontological one: for this is the objective character of capitalist society, commodities are, in such societies, objectively set in thing-like relations to each other, and therefore social relations really do take on the mystified form of appearance of relations between things. Knowing this does not change it at all. Marx's theory, then, simultaneously describes the phenomenological appearance of the spontaneity and law-determined regularity of commodity relations, and the ontological ground of these relations.

The latter makes it such that, for people who live and work under a capitalist mode of production, the mystified thing-like relations between commodities are as real as the fact that they need money to live, need to work to get money, can win or lose in their investments and business ventures, go bankrupt, and so on. The seeming objectivity and thing-like naturalness of relations between commodities, is, therefore,

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[171] Rubin, *op. cit.* 174.

in my understanding of Marx's theory of commodity fetishism, an effect of the capitalist mode of production itself, of capitalism's self-naturalization. It is for precisely this reason that I suggest that the historical materialism without social form, which I attribute to the classical political economists, and the naturalizations and mystifications entailed in their theories of population and living standards, are deeply situated in the very foundations of capitalist society.

Working from Marx's theory of commodity fetishism, then, my argument amounts to the contention that Marx's critique of classical population theory could not possibly have been that it was simply wrong. For, what the classical political economists' theories of population and living standards in part registered was precisely the fact that in capitalist society, people themselves—that is, numbers of people, populations—in a sense take on the thing-like, objective form of appearance. This, I argue, is the same thing-like objectivity that Marx attributes to commodities. As I indicated directly above, there is in fact a simple reason for this. It lies in that fact that labor-power, which the laboring classes sell in order to live, is, in capitalist society, a commodity. Moreover, in the capitalist societies that the classical political economists were witness to, social welfare was extremely limited. While pauperism and unemployment of course existed, the classical political economists could legitimately "write this off" in their population theories, due to the fact that the vast majority of the population simply had to work in order to survive. This was no mystification of piece of bourgeois apologetics. And incidentally, E.P. Thompson demonstrated how difficult and in fact dangerous being a pauper or chronically

unemployed was; indeed, for some it was a capital offense![172] Thus, I maintain that what the classical political economists' theories of population and living standards reflect was that the oddly simultaneous mystifications and realities entailed in the phenomenon of commodity fetishism extend to people. Social relations between people take the form of appearance of relations between things; in the population theories of the classical political economists, people themselves, at least propertyless working people, also appear as things.

At the same time, as fruit of the classical political economists' historical materialism without social form, inflected by the mystifications of the fetish character of the commodity, the classical political economists' population theories failed to grasp the dynamic and contradictory nature of the relationship between capital and population in a manner that was adequate to grasping the situatedness of this relationship within the dynamics of accumulation and crisis tendencies of the capitalist mode of production. Marx described this relationship as follows: "It is [capital's] tendency, therefore, to create as much labour as possible; just as it is equally its tendency to reduce necessary labour to a minimum. It is therefore equally a tendency of capital to increase the labouring population, as well as constantly to posit a part of it as surplus population—population which is useless into such a time as capital can utilize it."[173]

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[172] Thompson, E. P. *The Making of the English Working Class*. New York: Vintage, 1966.
[173] *Op. cit.* 399.

Thus, while the classical political economists were able to grasp the effects of the commodification of labor power and to make this the basis of their theories of population and living standards, they were unable to grasp the contradictory nature of the capital-wage-labor relation, a contradiction grounded in the driving dynamics and crisis tendencies of capitalism, resulted in their falling back on mystified and unsystematic speculations in their prognoses of the possible developmental trajectories of population and living standards across the future of civil society. As I suggested above, this inattention to capitalism's social forms and their consequences was particularly apparent in the dualistic nature of the classical political economists' speculations on the development of civil society, on whether it would terminate in a stationary state or lead to the acquisition, amongst the propertyless laboring classes, of an economic rationality that would work to keep them out of poverty. Here again, I argue that Marx's theory of commodity fetishism and classical political economy's historical materialism without social form provide an explanation for why both of these alternative scenarios of the development of the relationship between population and capital (the first of which, at least, would have been impossible according to Marx's theory of the capitalist mode of production), appeared plausible to the classical political economists.

2.2. Historical Materialism without Social Form: the ahistorical historicism of the Enlightenment

It was hardly the case that the classical political economists, especially the founders such as Smith and Turgot, and the more polymathic figures such as Mill, had what one would, on the face of it, associate with an ahistorical outlook. Indeed, quite the contrary. Therefore, before moving forward with my argument on how their historical vision and naturalization of capitalism affected their population theories, an explanation of what is meant here by "historical materialism without social form," or the "ahistorical historicism" of classical political economy, is merited.

The roots of this ahistorical historicism, I believe, may in part be traced to the Enlightenment's vision of historical progress. Eighteenth-century thinkers drew on a wealth of historical examples and engaged in historical speculation in their attempts to understand the manifestly diverse material conditions, cultural attributes, religious practices, and political formations of the nations of the earth. Eighteenth-century thinkers were also fascinated with comparisons between the new, more open form of "civil society" that was emerging in their own era, and the glory and splendor of the classical age. In fact, questions surrounding population played a central role in this historical discourse. The "Population Controversy," for instance, concerning the question of whether the population of England and Wales had increased since the Glorious Revolution, was debated in the pages of the *Philosophical Transactions of the Royal Society*. Later in the century, according to Glass, the publication of Dr. Richard Price's *Essay on the Population of England and Wales* drew critical responses from William Eden, William Wales, the Reverend John Howlett, and Sir

F.M. Eden.[174] This debate readily slid into one over the relative populations of the ancient versus the modern worlds. David Hume, in his "Of the Populousness of Ancient Nations," was one of the first to break with the consensus that the antient world had been more populous, which Montesquieu, for instance, believed.[175] Political theorist Sylvana Tomaselli has in fact argued of the general importance of the relationship between classical population theory and the historical vision of the Enlightenment that "eighteenth century theories of population… [impinge] upon nearly every important aspect of the Enlightenment's evaluation of the morality, manners, and mores of the *Ancien Régime* and of modern commercial society more generally speaking."[176]

Of course, population was just one of several registers in which history and historiography figured in to the Enlightenment tributaries of classical political economy. In political philosophy, as we saw in the last chapter, and as is of course widely known, the "state of nature" was a trope used by Hobbes, Locke, and Rousseau to speculate on the natural condition of "man," examine the causes which drove humans to form political societies, and, at least in the case of the Rousseau, to point out the partially-debilitating condition that man had been thrown into when he

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[174] Glass, D. V. "The Population Controversy in Eighteenth-Century England. Part I. The Background." *Population Studies* 6, no. 1 (July 1, 1952): 69–91.
[175] Hume, David. *Essays: Moral, Political, and Literary*. Edited by Eugene F. Miller. Revised edition. Indianapolis: Liberty Fund, 1985, chapter XI. See also, Whelan, Frederick G. "Population and Ideology in the Enlightenment." *History of Political Thought* 12, no. 1 (1991): 35–72.
[176] Tomaselli, Sylvana. "Moral Philosophy and Population Questions in Eighteenth Century Europe." *Population and Development Review* 14 (1988): 7–29.

began to recognize property and authority. Speculations on the condition of man in the state of nature were of course just that; but even in the speculative character of these exercises, historical time and change—if not the literal state of nature—appear as a backdrop to the condition of the political. Revolution itself, in the case of Hobbes and Locke, of course brings this sense of the historicity of politics and society to the fore.

There was also an anthropological dimension to the eighteenth-century historical outlook as well. It would perhaps not be too much to say that for many major thinkers in the eighteenth century, from Montesquieu, to Hume, to Smith, the keys to understanding, indeed, to explaining, the "spirit" of a nation were to be found in its natural history. Across the great expanses of time, climate and geography, grounding agricultural, religious, and political traditions, formed peoples, culture, manners, and mores. Despotism, monarchy, democracy, their determinants, and the national character and laws to which they, respectively, give rise, are, in Book 14 of *The Spirit of the Laws,* described by Montesquieu in essentially geographically-determinist fashion.[177] There is here, apparently, a vision that the material circumstances of peoples, the "base," as Marxists would refer to it, was indeed not only a major determinant of the nature of peoples but was perhaps the primary one.

This proto-historical materialism was most fully developed in the Scottish Historical School. Maurice Brown provides a succinct summary of this materialist

[177] Montesquieu, Charles de Secondat. *The Spirit of the Laws*. Cambridge University Press, 1989, Book 14, "On the laws in their relation to the nature of the climate."

vision. "[The] Scottish Historical School," Brown explains, "shared, to a greater or lesser extent, a common perspective, they saw man as the product of his historical society, and they saw that society itself as a potential vehicle for progress. They held that the economic structure of society has an overwhelming influence upon its institutions, laws and customs, and their notion of progress thus tended to be linked with economic development."[178] Along these lines, Adam Smith, himself one of the preeminent members of the school, was instrumental in the formation of a "four stages theory of history." Meek notes that the four stages theory was underpinned by an "environmental," "materialist" historiographical approach. It attempted to explain the passage of humankind from the "Age of Hunters," to the "Age of Shepherds," to the "Age of Agriculture," and finally to the "Age of Commerce" on the basis of material, climatic, and environmental conditions which were conceived of as primary determinants of the history and "spirit" of nations.[179] These themes figured as well into Smith's courses on Moral Philosophy, in which he lectured on the development of property in human history and the "history of civil society."[180]

These are, admittedly, rather crude generalizations, and it is far beyond the scope of this essay, and beyond the competence of its author, to present a systematic

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[178] Brown, Maurice. *Adam Smith's Economics: Its Place in the Development of Economic Thought*. London: New York: Croom Helm, 1988. See also, Cropsey, Joseph. *Polity and Economy; an Interpretation of the Principles of Adam Smith*. International Scholars Forum; a Series of Books by American Scholars, 8. The Hague: M. Nijhoff, 1957, pp. 58-59.
[179] Meek, Ronald L. *Social Science and the Ignoble Savage*. Reissue edition. Cambridge etc.: Cambridge University Press, 2011, p. 117 & 125.
[180] Meek, *op. cit.* p. 111.

and comprehensive account of the character of the historical and historiographical consciousness of the Enlightenment. However, following the lead of Marx, it may fairly be said that despite the historical themes present in the work of many of the classical political economists, there were, nonetheless, severe limitations to their historical imagination. First, it was in essence teleological, or "perfectibilist," as Meek calls it.[181] Or as Clarke, interpreting Marx's critique of Adam Smith, suggests, "Smith's materialist conception of history is not less metaphysical [than Hegel's] in 'naturalizing' the progress of Reason by attributing it to the advance of the division of labour … and of the associated social institutions of capitalist society…."[182] Clarke continues, in a passage that merits quoting at length:

> The rationality of the social institutions of capitalist society is determined by their rational conformity to the natural laws of production, distribution and exchange. Smith's account of history is the story of the self-realisation of this rationality. This means that for Smith human institutions can have only one of two origins: either they correspond to the order of reason, or they are the results of misguided and misdirected human intervention. History is the study of the barriers to progress thrown up by the abuse of power motivated by pride, greed, vanity, prejudice and ignorance. This history has a certain rationale, in that the unsavoury characters who litter its pages were formed primarily by the circumstances of their material existence, but the more fundamental rationality of history lies outside history in the natural advance of the division of labour, accumulation of stock and improvement in the productive powers of labour. Capitalism marks the end of this history not because it abolishes want, or brings production under human control, but because it marks the limits of human perfectibility s the advance of Reason comes up against the constraints imposed by the immutability of Nature.[183]

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[181] Meek, p. 129.
[182] Clarke, Simon. *Marx, Marginalism and Modern Sociology: From Adam Smith to Max Weber*. 1991 edition. Basingstoke, Hampshire: Palgrave Macmillan, 1991, p. 37.
[183] *Op. cit.* pp. 37-38.

This, in a nutshell, is historical materialism without social form. Clarke's brilliant analysis also, incidentally, allows for an understanding of why Marx, who learned so much from Hegel, naturally turned toward political economy. As Clarke contends, "Marx's critique of Hegel can be translated immediately into a critique of political economy because it is a critique of their common ideological foundations. These ideological foundations lie in their attempt to present bourgeois social relations as the culmination of the history and synthesis of Reason and Nature…."[184]

This conception of the long march of Reason, from the state of nature to bourgeois civil society, was common currency in Smith's day. The metaphysical character of Smith's conception of this development, which Clarke refers to above, was of course less pronounced. For the Scottish historians, there was indeed a far more mundane explanation for the arrival of civil society than the explanations we find in the ultra-refined and mind-bending abstractions of Hegel's *Elements of the Philosophy of Right*. For Smith, and his fellow Scotsman John Millar, Hegel's "Mind" progressing through history could be found in the simple fact that, as Smith and Millar put it, there is something in the very nature of human beings that makes them wish to better their condition. As Smith further suggested, there is something, perhaps in the nature of language, that gives humans a propensity to "truck and barter" as a means to this end. Thus history, heading universally toward the natural

[184] *Op. cit.*, p. 58.

social forms of bourgeois society, can in fact be explained in far more simple terms than the abstruse philosophy of Hegel. As Millar put it:

> There is … in man a disposition and capacity for improving his condition, by the exertion of which he is carried on from one degree of advancement to another; and the similarity of his wants, as well as of the faculties by which those wants are supplied, has every where produced a remarkable uniformity in the several steps of his progression. … Their first efforts are naturally calculated to increase the means of subsistence by ensnaring wild animals, or by gathering the spontaneous fruits of the earth; and the experience acquired in the exercise of these employments, is apt, successively, to point out the methods of taming and rearing cattle, and of cultivating the ground. According as men have been successful in these great improvements, and find less difficulty in the attainment of bare necessaries, their prospects are gradually enlarged, their appetites and desires are more and more awakened… the various branches of manufacture, together with commerce, its inseparable attendant … are introduced, and brought to maturity. By such gradual advances in rendering their situation more comfortable ... numbers are increased; the connections of society are extended; … property, the great source of distinction among individuals, is established; and the various rights of mankind arising from their multiplied connections, are recognized and protected.[185]

This the historical consciousness I refer to in the phrase historical materialism without social form. This universalistic, naturalistic conception of the historical realization of bourgeois society, this naturalistic historiography, would reappear in its own way in the economic analysis of classical political economy, imbuing it with a tendency towards abstractions from the historicity of the social forms of capitalist society, and therefore, at bottom, an inability to figure it out.

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[185] Millar, John. *The Origin of the Distinction of Ranks*. Edited by Aaron Garrett. Indianapolis, Ind: Liberty Fund, 2006. Cited in Meek, p. 163.

2.3 The Socio-Naturalism of Classical Political Economy

As was elaborated in the "Introduction," at the most basic level, the ahistorical character of classical political economy's historical materialism is apparent in the classical political economists' use of and tendency to apply general economic categories—categories such as wealth, property, labor, etc. "Political economy," Clarke explains, "is based on the 'naturalization' of historically specific social relations, and so its concepts are formulated in abstraction from the specific historical characteristics of capitalist society."[186] Clarke continues with an explanation of precisely what it means to neglect social form in economic analysis, resorting instead to formal abstractions divorced from their basis and ground:

> Political economy abstracts from the social fact of landownership, to present rent as a quality of the land. It abstracts from the social form of wage-labour, to present wages as the recompense for labour. It abstracts from the social form of capital, to present profit as a quality of the means of production. It abstracts from the social form of exchange, to present exchange as an expression of a rational/natural propensity to 'truck, barter and exchange'.
>
> However this is an illegitimate form of abstraction, for it is only in a particular form of society that land generates a rent, means of production a profit, and labour a wage. It is only in a particular form of society that the private labour of individuals is related through exchange. To treat these categories in abstraction from their social form is to deprive them of any content, to make them into purely formal categories that exist wherever there are land, labour, means of production or co-operation.[187]

Of course, every society that has ever existed and will ever exist has land, engages in labor, uses instruments to labor with or aid labor. These are perfectly legitimate

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[186] Clarke, *op. cit.* p. 82.
[187] *Op. cit.* pp. 82-83.

abstract ideas, and indeed serve to capture the transhistorical reality of human beings as deliberate in their intercourse with nature (i.e. labouring), as uniquely amongst other mammals capable of fashioning tools to aid their labor (instruments of labor), and by virtue of the very nature of life requires the substrate of the earth upon which to live and gain access to subsistence (land). Clarke's statement that this is an "illegitimate form of abstraction" should be taken to apply specifically to the classical political economists' analysis of capitalism. "Land," "labor," and "tools" are perfectly acceptable general abstractions, and useful ones at that; however, they are general abstractions. The problem in their application to an analysis of capitalist society is that capitalist society is not a general form of society, it is not society in general; rather, it is a historically and socially specific form of society, as is the case with all societies.

The classical political economists' inability to grasp the unique social form of capitalist production, to construct concrete-abstract categories adequate to its analysis, and to grasp the socially specific driving dynamics of this mode of production, had a profound influence even upon the discipline's most scientific practitioner, David Ricardo. As I.I. Rubin, commenting on Ricardo's naturalization of capitalist production, maintained:

> If Ricardo is to be reproached it is not for having applied an abstract method [precisely what gives his thinking its consistency and intrepidity and endows him with the power to trace the workings of each tendency of economic phenomena through to its very end], but for having forgot that the theoretical positions arrived at by using it are *contingent.* Above all Ricardo, as with the other representatives of the Classical school, lost sight of the one basic historical condition for the correctness of all theoretical

> economic propositions; the existence of a determinate *social form of economy* (i.e., capitalism). That this social form of economy should appear to Ricardo as given and intelligible in its own right is a feature that he shared in common with all the ideologists of the young bourgeoisie, who in place of the old feudal system had posited a new social order that they saw as natural, rational, and eternal. "The real laws of political economy do not change", wrote Ricardo. It is therefore understandable that even this thinker who, by differentiating value from riches and who, with his doctrines of labour value and rent did so much to transform political economy into a social science, readily sought the ultimate explanation for socio-economic phenomena in the action of "immutable" *natural* laws (the biological law of population and the physico-chemical law of the declining fertility of the soil).[188]

Rubin points out that this inattention to social form, this tendency to ignore "the basic socio-historical precondition" of production and distribution, population and declining soil fertility, is of course not unique to Ricardo. Rather, this taking for granted of social form characterizes the grounding outlook of practically every practitioner, every representative of classical political economy. It is this ahistorical and asocial grounding ideology that is the *ur*-mistake, as it were, of the whole discipline.

The limitations of classical political economy's generalized abstractions are discernable in their inability to move toward what Marx called the "concrete" abstractions necessary to examine a specific social form of economic life. Take for instance the classical economists' use of the category "wealth." Of course, it is perhaps possible to imagine wealth in general. But it is in fact the case that in any given historical period, in any given society, what counts as wealth, as well as the

[188] Rubin, pp. 242-243. See also Marx, *Theories of Surplus Value,* Volume 3. Lawrence and Wishart, 1969, pp. 54-56.

socially structured production of wealth, the economic field in which production and distribution takes place, is determined by social property relations, which establish determinate economic imperatives and give socially specific social forms to wealth. Wealth, in a capitalist society, is the possession of sufficient money to purchase whatever it is one might want, whether that is means of production, financial instruments, real estate, or what have you. What is general to all of these sub-species of wealth in a capitalist society is that they all begin, at least, as commodities, bought and sold, within a society in which things are produced for exchange, with the hope that the exchange will result in the realization of more money than one started with.

This failure to account for social form was also behind the classical political economists' conception of the goal or purpose of the economy, which they subsumed under the concept of "production in general." As we have seen, Adam Smith believed that consumption was the obvious purpose of production. Even if it were the case that we could imagine "production in general" and "consumption" in general, in reality these do not exist. In capitalist society there is a very specific imperative to production, which is the production and reproduction of surplus value, in the form of money. The classical political economists failed to grasp this, and this failure had profound effects on their conception not only of capitalism, but of the capital-wage-labor relation, and their speculations on the how economic growth and development would affect population and living standards in the future of civil society.[189]

[189] Marx, *Grundrisse,* "The Method of Political Economy," pp. 100-108.

This tendency to wade about at the level of the general abstraction persisted with the classical political economists of the early nineteenth century. These figures, despite dispensing with the "Providentialist" overtones present in the work of Smith, nevertheless, according to Clarke, continued to work from an acritical adoption of Smith's dictum that consumption was the goal and purpose of production. This, Clarke suggests, was even the case for more skeptical thinkers, such as Sismondi, John Barton, and Malthus himself, who, unlike Smith, Say, and Ricardo were deeply concerned that the economy could run into crises of underconsumption. Incidentally, it is unclear the extent to which Malthus and Ricardo are included by Marx in this group of more critical political economists—critical, that is, of the system's ability to sustain itself without running into crisis. Malthus' musings on crisis were often connected to his suggestion that the landowning class and other "nonproductive" workers were essential to society precisely as consumers, which is another reason for Marx having labeled him a sycophant and defender of the old regime. Ricardo himself famously had second thoughts about the effects of machinery on the laboring class, admitting, later in life, that machines did indeed pose a threat to workers. Sismondi and John Barton were the two thinkers toward whom Marx was the least ambiguous in giving credit for recognizing the tension in the relationship between capital and wage labor, as more and more machinery was implemented in the production process.[190]

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[190] Marx, Karl. *Theories of Surplus Value*, Volume 2. London: Lawrence & Wishart, 1969, pp. 564ff. *TSV,* V. 3. pp. 40-63.

We will return briefly to the critical political economists' understanding of crisis and the relevance of their thoughts on crisis for the problems of population and living standards, in the next chapter. For now, it is sufficient to note that this subtle and seemingly innocuous presupposition, articulated by Smith, generally accepted by his successors, that consumption was the goal of production typified their tendency to resort to general abstractions, general categories, in their analysis of the socially specific capitalist mode of production (which of course they did not refer to as such). This method was bound to fail, and did; for all the classical political economists, with the exception of Sismondi, failed to grasp that crises are expressions of "the contradictory foundations of the capitalist mode of production."[191] This, I show in the final sections of this chapter, helps to explain the speculative character of the classical political economists' prognoses for the future of civil society.

2.4. Commodity Fetishism and Classical Political Economy's Theories of Population and Living Standards

What caused the classical political economists' naturalizations? For Marx, the task of scientific research was to analyze economic formations by deriving determinate economic categories, whose very actuality, their ontological basis, has as their ground the very social formation that is the object of analysis. The derivation of adequate economic categories, capable of analyzing a given economic formation, is a dialectical operation of thought, of the mind tarrying with its opposite, that is, the

[191] Clarke, *op. cit.* p. 128. For Marx on Sismondi, see *TSV,* V.3, p. 56.

world it is analyzing, in a process which moves from general concepts to concrete concepts, i.e. concepts which, by virtue of their concretion, are adequate to the social formation they are intended to analyze.[192] When Marx accuses the classical political economists of "naturalizing" capitalism, when he charges them with conflating production with "production as such," he is describing precisely their failure to work through this operation in thought. The classical political economists bypass this operation, through the use of general categories, because they take their object of analysis—production as such, the "economy"—to be a transhistorical and natural object. In a sense they are sent "from pillar to post," in that they take the economy to be "production of wealth in general," which they analyze through general economic categories; on the other hand, these general economic categories are only applicable to "production in general," or to "wealth in general." The problem, of course is that these are mere abstractions, pseudo-concepts.[193]

Yet the classical political economists were not Cartesian rationalists. The Baconian deductive method was the scientific paradigm which underpinned the research of the classical political economists.[194] It is of course true, as has been stressed, that their presupposition of the naturalness of capitalist exchange and civil society severely limited their ability to derive categories adequate to the specific social forms of capitalism. However, it was hardly the case that these were thinkers

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[192] Marx, *op. cit.* "The Method of Political Economy."
[193] I borrow the term "pseudo-concepts" from Murray.
[194] Barkan, Christopher Steve. "Michel Foucault's Political Economy in *Les Mots et Les Choses*: A Critique of the Linguistic Turn in the Historiography of Ideas." UC Santa Cruz, 2016, pp. 190-191.

who, in the deductive manner of scholastic philosophy, were attempting to explain the world on the basis of derivations of pure reason. As Margaret Jacob explained, by the mid-eighteenth century, "social theorists such as Adam Smith took inspiration from Newton's physical laws and sought their analogue in the behavior of the market. The invisible hand that keeps order in the market owed much in its formulation to the Newtonian synthesis." I take Jacob to mean here that Smith and others took inspiration from Newton's method of inquiry, that is, his inductive method.[195] Smith, and along with him on the other side of the Channel, the French Physiocrats, observed market forces in action: prices, wages, rents, banking and financial activity, and so forth. It was from these observations that they attempted to explain the laws underpinning the surface-level movements of society, the physiology or metabolism, as it were, that guided the myriad and practically infinite acts of exchange in the sphere of the economy. It was the classical political economists' search for these laws of society's metabolism that led Marx to distinguish between the classical political economists, who attempted to get to the bottom of things and discover the regulatory principles that guided the economy, and what he called the "vulgar economists," who were satisfied confining themselves to the phenomenal appearance of these principles and laws. Incidentally, for Marx, neoclassical economics, the basis of modern economics, would itself, despite all of its scientific and mathematical pretensions, be classified amongst this latter group, i.e. vulgar economics. Here, for instance is

[195] Maxwell, Nicholas. "Three Criticisms of Newton's Inductive Argument in the Principia." *Advances in Historical Studies* 3, no. 1 (February 28, 2014): 2–11.

Samuel Hollander, quoting, at length, from Frank Knight's critique of the Ricardian theory of production and distribution. Knight, a towering figure in early twentieth century economics, says the following:

> Economic theory is nothing, or is significant only as an intellectual curiosity, unless it shows how, in a price economy, the price system works out: (a) in the assignment of productive capacity in society to different uses or industries: (b) in the technical organization of productive agents within each industry; and (c) in the sharing of the joint product among the co-operating individual owners of productive capacity. What is called "distribution theory" has to do with the pricing of productive services. These prices are significant in connection with the division of the product, but their prior and even more fundamental function is the dual one of apportioning productive capacity in the various forms among industries and among financial and technical productive units within each industry.[196].

This demonstrates with crystal clarity the extent to which, in modern economics, social form is left entirely out of account. Vulgar economics, as Marx called it, proceeded in the same fashion. The price system is supposed to explain the value of commodities (value, of course has no place in modern economics, or is simply equivalent with price), and the value of commodities in turn explains prices. There is no examination whatsoever of the nature of society in which the price mechanism is operative in the first place—as it indeed has not been throughout most of the history of human beings' production of goods needed to sustain life, bring them comforts,

[196] Knight, Frank. "The Ricardian Theory of Production and Distribution," *Canadian Journal of Economics and Political Science,* I (1935) 171-96. Cited in, Hollander, Samuel, and Samuel Hollander. *The Economics of Adam Smith*. Studies in Classical Political Economy 1. Toronto, Buffalo: University of Toronto Press, 1973, p. 3-4.

luxuries, or what have you. The price mechanism is characteristic of capitalism, an exchange society in which the private labor of individuals—or firms—takes on a social form only in the exchange of commodities.

This was not the way that classical political economy—let alone Marx—went about its analysis of society. Classical political economy, as Lukács put it, was a "comprehensive [doctrine] of social life and therefore treated all important problems of society in connection with economic questions dictating them."[197] Modern economics, of course, simply separates off social questions which it considers to be extraneous to its scientific analysis. But in doing so it dramatically limits itself, and indeed to this day is often seen, even by practitioners of the discipline, as engaged in a kind of abstract mathematical fantasy world with little connection to reality.[198]

At the same time, while classical political economy was explicitly concerned with the whole of society—including, as modern economics generally is not, with the nature and the causes of population growth—its object of analysis was an economic world which, precisely because it was capitalist, had begun to demonstrate a high degree of regularity, of objectivity. This is of course why, as Jacob says (above), Adam Smith appreciated and applied the Newtonian method. For capitalist society, even the largely agrarian and manufacturing society of his day, had begun to

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[197] Lukács, György. *The Destruction of Reason*. London: Merlin, 1980, p. 585.
[198] Piketty, Thomas. *Capital in the Twenty-First Century*. Cambridge Massachusetts: The Belknap Press of Harvard University Press, 2014, p. 32.

demonstrate a law-like regularity as far as production and distribution of goods, and population, were concerned.

The classical political economists looked for the laws which governed production and distribution, the laws which underpinned the price system, and therefore could explain why, to turn to Marx again, 5 yards of linen cost the same amount as 1 coat. This search of course led classical political economy to the "labor theory of value," which posited that goods were exchanged on the basis of the human labor that was, as it were, congealed within them. Ricardo was adamant that labor was the sole source of value, whereas Smith vacillated on this point. However, the point that needs to be made here, with respect to population analysis, was that the classical political economists analyzed population via an analysis of what Marx called labor-power. The classical political economists failed to make the distinction between labor and labor-power, and Marx attributes their failures to work out a consistent labor theory of value to their failure to make this distinction. Nonetheless, the classical political economists' population theories were essentially theories which attempted to explain, in economic terms, how "men" were produced. And their explanations proceeded from the idea that the production of the propertyless laboring class indeed had a cost.

This cost could largely be accounted for in terms of the main product that the propertyless laboring class consumed: food. This was the basis of Sir William Petty's attempt to figure out the "natural par between land and labor." Petty begins his

examination of value through a comparison of the labor contained in a given amount of money (silver), with the same amount of labor contained in a quantity of grain:

> But a further, though collaterall question may be, how much English money this Corn or Rent is worth? I answer, so much as the money, which another single man can save, within the same time, over and above his expence, if he employed himself wholly to produce and make it *viz.* : Let another man go travel into a Countrey where is Silver, there Dig it, Refine it, bring it to the same place where the other man planted his Corn; Coyne it, &c. the same person, all the while of his working for Silver, gathering also food for his necessary livelihood, and procuring himself covering, c. I say, the Silver of the one, must be esteemed of equal value with the Corn of the other: the one being perhaps twenty Ounces and the other twenty Buchels. From whence it follows, that the price of a Bushel of this Corn to be an Ounce of Silver.[199]

This in turn, was the basis of what Petty considered to be the fundamental question of political economy. For as he says**,** "And this brings me to the most important Consideration in Political Oeconomies, *viz.* how to make a *Par* and *Equation* between Lands and Labour, so as to express the Value of any thing by either alone."[200] Petty, whom Marx referred to as the father of classical political economy, is of course trying to come up with a measure of value that is grounded in either of the two principle sources of the products of his society, labor and land.

Land, strictly speaking, does not have a value, since it is not the product of human labor, but of nature. Smith, with a clearer grasp of this, modified the question, proposing that value was, at bottom, determined by labor. He was ambiguous about

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[199] Petty, Sir William. *A Treatise of Taxes and Contributions.* In, Monroe, Arthur Eli. *Early Economic Thought; Selections from Economic Literature Prior to Adam Smith*. Cambridge: Harvard University Press, 1924, pp. 211-212.
[200] *Op. cit.,* p. 218.

this and modified his proposition when attempting to determine that factors that went into the final, market price of the product. Nonetheless, in a more fundamental sense, he believed the "Labour … is the real measure of the exchangeable value of all commodities," and added that "The real price of every thing, what every thing really costs to the man wo wants to acquire it, is the toil and trouble of acquiring it," for "What is bought with money or with goods is purchased by labour as much as what we acquire by the toil of our own body."[201] Of course Smith believed that market society caused a kind of mutation of this principle; for in market societies, profit and rent must also, he thought, form part of the price of the product. This caused him, according to Ricardo and Marx, to deviate from the labor theory of value. For unlike Ricardo, he was unable to account for how profit and rent were essentially appropriations, by capitalists and landowners, from the value created by labor.

Marx of course devotes much effort to identifying the errors of the classical political economists in constructing a coherent labor theory of value. We need not recapitulate or belabor with Marx's criticisms here, important as they are. For, what should now be clear is that for the classical political economists a fundamental question, going back to the origins of the discipline, involved the "value of labor," which Marx, pointing out the absurdity of the question, given that labor itself is the measure of value, straightened out by showing that was really at stake here was the value of labor-power, i.e. the value of the capacity of the laborer to work. While the classical political economists did not recognize the difference between labor and

[201] Smith, *Wealth of Nations,* p. 47.

labor power, they clearly recognized that there was a cost entailed in the production and reproduction of the class of propertyless laborers. As Ricardo put it, the "natural price of labor is that price which is necessary to enable the laborers, one with another, to subsist and to perpetuate their race, without either increase or diminution." This, he continues, "does not depend on the quantity of money which he may receive for wages, but on the quantity of food necessaries, and conveniences become essential to him from habit which that money will purchase." This, then, means that "The natural price of labor … depends on the price of the food, necessaries, and conveniences required for the support of the laborer and his family."[202]

In capitalist society, all of this food, all of the "conveniences" that have "become essential to him from habit," are for the laborer (and of course for everyone else) commodities which he must purchase. And of course the only way that the propertyless laborer can get his hands on these subsistence goods, necessary for the perpetuation of himself and his "race," is if he has money to pay for them. It is precisely this nexus that explains why the classical political economists, quite reasonably, conceived of the population of the propertyless as regulated by employment demand. As we have seen before, increases in employment demand, by increasing wages, increased opportunities for marriage; in turn, eventually, and so long as the fertility rate was above the death rate, population increased.

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[202] Ricardo, David. *By David Ricardo - The Principles of Political Economy and Taxation: 1st (First) Edition*. Prometheus Books, 1997, p. 65.

The population of the propertyless laboring proletariat, who lives through the sale of its commodity labour-power, thus appeared, under capitalist social relations, at the time that the classical political economists were writing, to be thing-like, subject to natural and objective determinations. It appeared so precisely because at this time population was existentially bound up in relations between commodities, or, to put it more generally, in the capital-wage-labor relation. The population theories of the classical political economists capture this thing-like, objective appearance of population in capitalist society; by conceiving of population as essentially regulated by labor demand, by understanding numbers of people as being determined by growth of capital, these theories are simply registering the phenomenon of the commodification of labor-power in capitalist society, which is to say they are registering the dependence of the laboring class upon employment for its very existence.

We can thus begin to see here how unlikely it would have been for Marx's engagement with classical political economy's population theory to have been a straightforward rejection, as some critics have suggested. Of course, that was rarely the manner in which Marx dealt with the theorizations of the classical political economists. As Marx once put it, "The categories of bourgeois economics consist precisely of forms … of thought which are socially valid, and therefore objective, for the relations of production belonging to this historically determined mode of social

production, i.e. commodity production."[203] In other words, there are instances of the classical political economists' economic analysis that grasp, at a relatively deep level, the processes which regulate the socio-economic metabolism of civil society, even if they fail to capture the social forms, the ground and basis upon which the accuracy of their analysis rests. There is no reason that the same principle that Marx is articulating would not have applied to the classical political economists' theories of population; and I suggest that Marx's principle and method of critique indeed does apply to the classical economists' population theories, just as much as it does to the other aspects of their thought.

Even with respect to Malthus, about whom Marx rarely minced words, it was not necessarily the case that Marx's criticism of the so-called principle of population was that it was simply dead-wrong. Rather, as we would expect, Marx criticizes the ahistorical character of the theory. Here is Marx, from the *Grundrisse,* commenting on Malthus' "law of population." "[Malthus] would find in history that population proceeds in very different relations, and that overpopulation is likewise a historically determined relation, in no way determined by abstract numbers or by the absolute limit of the productivity of the necessaries of life, but by limits posited rather by *specific conditions of production.*" Marx then goes on to comment on Malthus' ahistorical abstractions. "It is Malthus who abstracts from these specific historic laws of the movement of population, which are indeed the history of the nature of

[203] Marx, Karl. *Capital: Volume 1: A Critique of Political Economy*. Reprint edition. London; New York, N.Y: Penguin Classics, 1992, p. 169.

humanity, the *natural* laws, but natural laws of humanity only at a specific historic development."[204] Marx is himself here drawing attention to the fact that human population growth does proceed by way of laws, and indeed economic laws, in the broad sense of Marx's conception of the "laws" of a mode of production.

In fact Marx, just as much as the classical political economists, recognized and took it as self-evident that the way in which the laboring classes survived was by selling the only commodity they possessed: their own labor-power (although, again, the classical political economists did not grasp the difference between labor and labor power). Moreover, as we shall see in the subsequent chapter, he shares with the classical political economists the idea that higher wages tend to lead to population growth, for the simple reason that higher wages lead to more and earlier marriages, and the survival of more children past infancy. The point here is that the classical political economists' errors, from the critical Marxian perspective, do not and could not consist in their mere observation of the fact that the proletariat needs subsistence to live, which they only get through money, which they only get, in turn, through employment by capital. Nor could it have been the case that according to Marx they were wrong for naturalizing the tendency for population to increase when the means of subsistence are ample and ready to hand (because of high labor demand). This is a socio-historical fact, for all societies that have not undergone the "demographic

[204] Marx, Karl. *Grundrisse: Foundations of the Critique of Political Economy*. Reprint edition. London; New York: Penguin Classics, 1993, p. 606.

transition." The population history of England and Europe across the early modern period to the twentieth century speaks for itself on this.

The classical economists' errors in their analysis of population arise not from their observation of this socio-historical reality of their times. Rather their error was in their naturalistic conception of the social form through which the propertyless poor earn their means of subsistence, their inability to grasp the historicity of their own society, and the historically and socially specific character of the forms of the capitalist mode of production, which includes the social form of the capital-wage-labor relation, i.e. employment. This is why I believe Marx's theory of commodity fetishism offers a powerful perspective from which to construct a Marxian critique of classical political economy's population theories. As Marx said, "The mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men's own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things. … It is nothing but the definite social relation between men themselves which assumes here, for them, the fantastic form of a relation between things."[205] For the classical political economists, as I have stressed, people themselves, in their production and reproduction, took on this thing-like form of appearance. Again, the mistake in their observation of this thing-like objectivity, for Marx, lay in the fact that they naturalize it. For it is indeed only in an exchange society, in which commodities are produced privately to be sold for the realization and private appropriation of

[205] Marx, *Capital,* Volume 1, pp. 164-165.

surplus value, that products are related to each other through a vast web of price relations, established by competitive market forces. Even though the capitalist form of social labor, based on the private production of commodities for the purpose of exchange and the realization of surplus value, is itself a historically and socially specific mode of economic life, the commensurability between the private products of labor in this mode of production appears to be objective, thing-like, grounded in the nature of the commodities, as products, themselves. Although it is in some sense obvious, *after* Marx articulated his theory of commodity fetishism, that human relations establish the ground and basis of this mode of production in which commodities are produced for sale, even this recognition does not change the fact that in capitalist society it really is the case that social relations assume "the fantastic form of relations between things."

Marx's theory of commodity fetishism allows for a very different and far more nuanced Marxian critique of the classical political economists' theories of population and living standards than those offered by critics who have stressed the polemical character of Marx's engagement. Marx's criticisms of the classical political economists' writing on population was particularly vitriolic, especially when he got whiff of their impulse to blame the poor for their own poverty. But his comments on the commodification of labor-power and the relation of surplus populations to capital suggest how complicated he thought the problem was. Interpreting the classical political economists' theories of population and living as reflecting the illusion of the commodity fetish makes clear how unlikely it is that Marx's position of classical

population theory would have been that it was simply wrong. Marx's criticism must have been more complicated than this, for as he says, the "forms of thought" developed by the classical political economists were "socially valid" for the particular epoch they were attempting to describe. This casts Marx's criticism in a new light, by showing that just as with his critique of classical political economy generally, his view of the classical political economists' theories of population and living standards must have been more nuanced than interpretations which have viewed it as a polemical rejection could possibly allow for.

At the same time, any critique, such as Marx's, ought to be able to account for itself. To put this another way, why was Marx able to see the fetish character of the commodity and construct a theory of commodity fetishism, while his predecessors, who were also trying genuinely to get to the bottom of capitalist society, were not? The answer cannot of course rest upon the *deus ex machina* of Marx's genius, as this is would hardly be a satisfactory explanation. This is a complicated question, of course, but I would argue that the answer lies, as Rubin indicated, in the fact that the contradictions of the capitalist mode of production were not set at the high pitch they would come to reach with the implementation of heavy machinery and large-scale industry.

As Hegel remarked, "Philosophy, is *its own time comprehended in thoughts*." "It is just as foolish," he added, "to imagine that any philosophy can transcend its contemporary world as that an individual can overleap his own time or leap over

Rhodes."[206] This question of the adequacy of an intellectual tradition's grasp of its own historicity was a historiographical and philosophical problem that held intense interest for Marx. As he once said of Aristotle's attempts to understand the element that made vendible articles commensurable—in the example Aristotle uses, 5 beds = 1 house—the great philosopher was apparently unable to grasp what it was in the commodities that made them equivalent. In a capitalist society, a society of generalized commodity production, the answer to Aristotle's question is of course that equal values of commodities contain equal amounts of abstract labor time. But Aristotle didn't live in a capitalist society, and therefore his inability to arrive at what would only in a much later period be the "answer" to his question was not a failure of thought in the ordinary sense, perhaps not a failure at all. As Hegel indicates above, assessing the thought of a previous historical period involves far more than judging it against a supposedly objective historical record, subsequently made available to us. Thus, as Marx would go on to argue, there would be something quite anachronistic and premature in any judgement that Aristotle "failed" to grasp the reason that these commodities were made equivalent on the market.[207] Rather, Aristotle's speculation on the nature of the equivalence of these vendible items resembles his reflections, also found in *The Politics,* on the highly unequal social status that men, women, children, and slaves occupied in the ancient world. These positions, he thought, in

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[206] Hegel, Georg Wilhelm Friedrich. *Elements of the Philosophy of Right*. Cambridge Texts in the History of Political Thought. Cambridge [England]; New York: Cambridge University Press, 1991, pp. 21-22.
[207] Marx, *Capital,* volume 1, p. 151-152.

what is often an affront to the sensibilities of the contemporary reader, were assigned *by nature.* The historical boundedness of thought that Hegel points to is a kind of inescapable horizon, one which, therefore, makes the project of an assessment of the successes or failures of the thought of a period against the historical record complicated, at best.

In the case of classical political economy, while the gulf separating agrarian and manufacturing capitalist society from the modern industrial form of capitalism to come was of course not nearly so great as that between Marx and Aristotle, it was still true that even early nineteenth-century thinkers such as Ricardo and Malthus could not possibly have envisioned the dynamic industrial and agricultural potentials unlocked through the harnessing of fossil fuels and the application of organic chemistry to farming, nor the increases in household wealth and the associated demographic transition that still lay a century or so off. Perhaps, as we saw in chapter 1, one of the clearest indicators of the historical boundedness of the period, for economic analysis, is to be found in the classical economists' concept of capital as fundamentally labor enhancing, perhaps labor displacing, but emphatically not labor *replacing.*[208] For Smith, it was the expansion of the market that allowed for the increasing articulation of the division of labor. The division of labor of course employed labor-saving technology, and Smith is explicit about this. But it was perhaps in the very nature of the "machinery" of the period that the massively labor

[208] Lowe, "The Classical Theory of Economic Growth."

displacing effects of large-scale industry, still at least a half century off, were practically unimaginable.

For Smith and Ricardo, there was simply no way for the classical economists to discern this character of capital and the dynamics of accumulation of crisis that would eventually emerge from it. This was for the simple reason that these dynamics were far less developed. When Marx, in the "Introduction" to the *Grundrisse,* said that the anatomy of the man provides the key to the anatomy of the ape, he was referring precisely to the retrospective illumination that industrial capitalism—the world of heavy machinery and large-scale industry that existed in his day—gave to the agrarian capitalism that preceded it, making clear from the vantage point of the present tendencies and trajectories that were just beginning to take shape in the past.[209] Thus, while classical political economy was surely describing a capitalist condition, it did so during a highly transitionary period in the history of capitalism. It was precisely this enigmatic situation, in which agrarian-manufacturing capitalism was driving toward a system of industrial production, which was nevertheless for figures like Smith and Ricardo only in its incipient stages, that provided the unique historical milieu of Anglo-Scottish classical political economy in the late eighteenth and early nineteenth-centuries.

2.5. The End of History without Social Form: the Classical Political Economic Theory of the Stationary State

[209] Marx, *Grundrisse*, p. 105.

I stressed above that, seen from the perspective of Marx's theory of commodity fetishism, the classical political economists' theories of population registered the commodification of what Marx called labor-power, through recognizing that the propertyless laboring poor, having nothing to sell but their ability to work, were existentially dependent upon employment. While they were not able to explain the basis of the capital-wage-labor relation—that is the social forms of capitalism—in their attention to the metabolism of social life they were indeed able to grasp that population was to a large degree dependent upon economic growth, insofar as the class of the propertyless—which by in large represented, for the classical political economists, the population as such—could expand only if demand for labor went up, raising wages and allowing for marriage and family formation. However, the classical political economists also recognized that as population increased, agricultural cultivation pressed further and further onto the margin of arable land, and that land is inherently limited. This seemed to present a problem for growth, in the long run. The classical political economists' theory of the stationary state was the upshot of their concern that the growth engine of society was inherently limited, and it is this theory that is the subject of this section.

The basic contours of the theory of the stationary state are easy to grasp. The classical theory of economic growth, and the classical theory of population that was derived from it, were essentially theories which described conditions of physical equilibrium of the factors of the economy, and provided an explanation for how growth took place from such an equilibrium condition. For Smith, Ricardo, and their

successors, capital stock arose and grew out of savings, and thus expansion of the total product of society could only occur if the class of capitalist property owners, i.e. the proprietors, held back some of their returns that they received in the form of profits and, instead of consuming these as revenue, ploughed it back into production, by using this revenue to purchase more means and materials of production, and more labor. This is the reason that Adam Smith was so concerned with the distinction between productive and unproductive labor and extolled the virtues of savings. For, he imagined, it was only through savings that society's capital stock could increase.

As we saw in the first chapter, for Smith and largely for Ricardo as well, saving equaled investment, and all investment, they believed, would, at the end of the day, increase demand for labor. Thus, by saving out of revenue the entrepreneurial class increased the capital stock; this increased demand for labor, and provided growth of capital stock was occurring rapidly enough, caused wages to rise.[210] As I have stressed, it was this increased labor demand, according to the population theories of the classical political economists, which causes population to grow. As far as the long-run prospects for growth and improved standards of living, it was precisely here, in this link between economic and population growth, that the problem lay. For as E.A. Wrigley, who has written extensively on the classical political economists' vision of the inherently limited character of their economies, put it, the problem, as

[210] Wrigley, E. A. *Poverty, Progress, and Population*. Cambridge; New York: Cambridge University Press, 2004, p. 70.

the classical political economists were aware, was that "economic growth was matched *pari passu* by demographic growth."[211]

This gave the economy witnessed by the classical economists the character, as Wrigley suggests, of a "negative feedback system." For, "An organic economy," as Wrigley refers to the pre-industrial, pre-fossil fuel economies of the era of the classical political economists, "however advanced, was subject to negative feedback, in the sense that the very process of growth set in train changes that made further growth additionally difficult."[212] The reason that additional growth was difficult was not due to population, *per se.* It is true, as Wrigley explains and as we have already seen, that the classical political economists believed—and not inaccurately so—that economic growth, by increasing wages, drove population growth. This in and of itself would not necessarily have been a problem, if it had not been for the fact that population growth necessarily put stress on the land. Wrigley:

> The consideration that caused the classical economists to exercise so much caution in assessing future growth was their thinking about the land. The surface area of the earth was indisputably incapable of expansion, as was any sub-category of the surface, such as cultivable land. At any given level of material technology what could be obtained from the land and put to human use, though not subject to a crude and simple upper limit, could be increased only by committing a rising quantity of labour and capital to secure each unit increase in output. The economic law of declining marginal returns was inescapable. The future was therefor bound to appear gloomy as long as it seemed proper to assume that the productivity of the land conditioned prospects, not

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[211] *Op. cit.,* p. 71.
[212] Wrigley, E. A. *Continuity, Chance and Change: The Character of the Industrial Revolution in England*. Cambridge [Cambridgeshire]; New York: Cambridge University Press, 1988, pp. 29-30.

> merely for the supply of food in particular, but also for economic growth generally.[213]

Given the state of agricultural technology at the time, such increased demand was met primarily through extensification of agricultural production, that is, pushing agricultural production out onto new land. In these societies, which lacked petrochemical fertilizers, increased food production was simply impossible without such extensification of production, or through increased importation. It thus naturally appeared to the classical political economists that as this economic-population cycle proceeded apace, cultivation would necessarily be pushed onto less and less fertile land, eventually reaching a margin where input only equaled output. Given the absence of effective and socially acceptable forms of contraception in these societies (something the classical political economists hardly mentioned, so taboo was the very subject), there appeared to be few options to short-circuit the connection between economic and population growth. Perhaps major changes in the attitudes towards marriage and procreation amongst the working class, stimulated by a shift upwards I consumption norms could bring it about, as we shall see in the next section. Short of this, however, it appeared that growth and high wages would always be followed by more marriage and children, in a hopeless, relentless, self-defeating cycle.[214]

It was upon these considerations that the theory of the stationary state, a no-growth scenario, theorized by Smith, Ricardo, and Malthus was built. In this

[213] Wrigley, *op. cit.* p. 4.
[214] Wrigley, *Poverty, Progress, and Population,* p. 73.

permanent equilibrium condition, capital accumulation, systemwide, would come to a halt. For at this stage, no new avenues for the profitable investment of capital would be available, due in large part to the unavailability of remaining tracts of arable land that could be made use of for food production. As Smith described it, "Though the wealth of a country should be very great, yet if it has been long stationary, we must not expect to find the wages of labour very high in it." This, he believed, was because:

> There could scarcely be any scarcity of hands … The hands, on the contrary, would, in this case naturally multiply beyond their employment. There would be a constant scarcity of employment, and the labourers would be obliged to bid against one another in order to get it. If in such a country the wages of labour had ever been more than sufficient to maintain the labourer, and to enable him to bring up a family, the competition of the labourers and the interest of the masters would soon reduce them [i.e. the laborers] to this lowest rate which is consistent with common humanity.[215]

For his own time and place, Smith was more sanguine. He believed that:

> "In Great Britain the wages of labour seem, in the present times, to be evidently more than what is precisely necessary to enable the labourer to bring up a family. … There are many plain symptoms that the wages of labour are no-where in this country regulated by this lowest rate which is consistent with common humanity.[216]

Smith believed that China, however, had already arrived at such a condition and that their present might be a sign of hard condition to come for laborers in his own society.[217]

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[215] Smith, *Wealth of Nations,* p. 91.
[216] *Ibid.*
[217] Smith, *Wealth of Nations,* 87-89 & 99.

Insofar as it was possible, where labor demand did go up under such conditions, due to investment in non-agricultural sectors of the economy, this would be self-defeating. For it would inevitably result in Ricardo's "scissors effect," precisely because increased demand for food from the population growth that accompanied rises in wages could no longer be met by extending the margin of agricultural production. Because the wage bill of the laboring class was largely set by the price of living standards, the result would be that increased wages, reflecting higher costs of food, would necessarily encroach upon profits. An option which would mitigate this scenario, of course, would have been to open English grain markets to importation of cheap corn grown in Eastern Europe; and this, incidentally, is why Ricardo was an outspoken opponent of the "corn law," which restricted imports of grain outside of the United Kingdom. At any rate, while their analyses of the path *en route* to the stationary state differed with respect to their technical details, for Smith, Ricardo, and Malthus it appeared to be the case that such a low-wage, no-growth equilibrium condition might be the natural end of economic history.[218]

In Wrigley's account, the classical political economists' theories of population and living standards followed logically from their observation of the objective conditions required for economic growth, the link between economic growth, family formation, and population increase, and the inherent, natural limitations of arable

[218] Wrigley, E.A. "The Limits to Growth: Malthus and the Classical Economists." *Population and Development Review* 14. Population and Resources in Western Intellectual Traditions, eds. Teitelbaum, Michael, and Jay Winter. Population Council (January 1, 1988): 30–48. See also, Lowe, Adolph. "The Classical Theory of Economic Growth." *Social Research* 21, no. 2 (July 1, 1954): 127–58.

land, which was the ultimate resource base of these societies. Most commentators have followed Wrigley in explaining the theory of the stationary state as a reflection of the classical political economists' naturalism, that is to say, their appreciation of the natural base of the economy and the limits to growth it imposed.[219] Heilbroner, like Wrigley, stressed that even in Smith, contrary to interpretations which read into *The Wealth of Nations* an unalloyed enthusiasm and optimism for commercial society himself, no less than his successors, feared that over the long-run society would exhaust its avenues for profitable investment.[220]

For Wrigley, the socio-naturalistic character of the classical political economists' theories of population and living standards and of the stationary state reflect the largely natural, organic foundation of the economy. I, however, maintain that this does not sufficiently account for the socio-naturalistic character of these theories. For while these theories indeed show a keen analytical acuity in incorporating the limits of the organic economy, the social character of Western European society that gave its distinct marriage pattern and the market relations that determined that numbers of people were determined by labor demand, they were also

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[219] On classical political economy's naturalism, see, Schabas, Margaret. *The Natural Origins of Economics*. Chicago, Ill.: University of Chicago Press, 2007.

[220] Heilbroner, Robert L. "The Paradox of Progress: Decline and Decay in The Wealth of Nations." *Journal of the History of Ideas* 34, no. 2 (April 1, 1973): 243–62. Interestingly, in the more popular work *The Worldly Philosophers,* Heilbroner puts forth the usual line that the divide between Smith on the one hand and Malthus and Ricardo on the other can be framed as a division between optimism and pessimism. See, *The Worldly Philosophers: The Lives, Times And Ideas Of The Great Economic Thinkers, Seventh Edition*. 7th Revised edition. New York: Touchstone, 1999, pp. 103-104.

constructed upon an ideological foundation that presupposed the naturalness of the capitalist economy. This naturalistic ideological foundation wholly overlooks social form, and the theory of the stationary state indeed reflects this inattention to social form.

Precisely because the classical political economists took the social property relations and social form of bourgeois society for granted, it simply never occurred to them that this form itself might be in jeopardy if the very conditions for profitable investment of capital disappeared and population growth had pushed cultivation to the margin of arable land, with these twin causes leading to the effect of a permanent, low-wage stationary state. And why would they have doubted that the basic form of society would be preserved? For indeed, precisely as I have indicated, they saw this form of society as natural, as transhistorical; which is as much to say that they did not recognize it as a social form at all. Take for instance China. Smith claims that it was fully stocked. But the social forms underpinning China's economy were quite different than those in Britain or Western Europe more broadly. Indeed, China was not a capitalist society, or at least not clearly one. The explanation that China was in a stationary state for the same reasons that Europe and England might find themselves in down the road is a testament to the extent to which Smith really did overlook the social forms which structure production and which define what wealth is.

I propose that the answer to this silence in the work of the classical political economists lies precisely in their historical materialism without social form and the effects of the phenomenon of commodity fetishism, which give capitalist society an

objective and natural form of appearance, upon their socio-historical vision and futurology. Because the classical political economists naturalized the capital-wage-labor relation, as well as the related socially and historically specific forms which are the basis of the capitalist mode of production and capitalist social property relations, they simply had no sense that these forms would, or could, be altered, even if society entered a terminal period of decline.

The basic formal structure and social property relations of society would not be altered in their vision of the future, precisely because these were natural, and therefore unchanging. This, I suggest, at least as much as their appreciation of the natural limitation to growth, explains their theory of the stationary state. This explanation achieves what the naturalistic interpretations of Wrigley *et al* cannot do, which is to explain why the classical political economists believed that even in terminal decline and decay, the form of their society would be preserved. Naturalistic interpretations, along the lines of those articulated by Wrigley *et al* are simply insufficient, because they lack an account of, and an explanation for why, the classical political economists voiced few if any concerns that the running down of the economic motor of society, even its coming to a halt in a stationary state, would have no effect on the social form which structured society in the first place.

2.6. The **Bildungsroman** *of the Propertyless Laborer and the Future of Civil Society*

We have seen that the classical political economists, given their concerns over what they perceived to be inherent limits to growth, as well as what I argued was their inability to grasp the social forms of capitalist production, and thus their inability to imagine that the social basis upon which capitalist production rests might collapse in a situation in which profitable investments was no longer possible, and low subsistence wages were the norm for the working population, arrived at a theory of the stationary state. In this section I look at another version—an opposed one, actually—of the classical political economists' vision for the possible future of civil society.

Interestingly, Wrigley himself, who puts so much stress on the significance of limits to growth in the work of the classical political economists, recognized that they considered a possible loophole through which the low-wage no-growth condition of the stationary state could be bypassed. Wrigley's article, "Malthus on the Prospects for the Labouring Poor," argued that the later-Malthus actually broke, in significant ways, with his original thesis. "From Adam Smith to John Stuart Mill," Wrigley asserts, "the great figures in classical economic concerned themselves with a prospective stationary state." As we have seen, this was "a state to which every economy must tend because of the logic of the principle of declining marginal returns, or some equivalent pressure." Wrigley goes on:

> As long … as the supervention of the stationary state seemed probable, the long-term prospects for the health and prosperity of the mass of mankind were greatly coloured by its supposed nature. Adam Smith … was inclined to pessimism on the point. Ricardo was blunt and depressing about what lay in store for those dependent on wages for a livelihood. … Even John Stuart Mill,

> though writing at a late enough date to have had an opportunity to see the astonishing capabilities of the new material technology, took a cautious line.[221]

Here, however, Wrigley introduces an astonishing reversal. "Paradoxically perhaps, in view of his reputation, Malthus offered a more shaded, even a guardedly optimistic view of what was possible for the labouring poor."[222] Malthus, indeed, was far more attuned to the inexorably social dimensions of human life than he is often given credit for, and he took into serious consideration the manner in which social mores and consumption norms played a determining role in population growth. In later editions of the *Essay,* of which there were six in total, Malthus introduced a "prudential restraint" which he believed could well operate to prop up wages and living standards, perhaps indefinitely. [223]

Wrigley argued, therefore, that there were in effect two Malthuses, and that what came to matter in Malthus' later work was not the inevitability of crises of subsistence, but rather the intricate social mediations that determined "*how* the constraint of food production on numbers operated." As Wrigley explains, "If [the constraint of food production] operated solely through mortality rising to match a prevailing level of fertility the result would be misery and deprivation." This, of

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[221] Wrigley, E. A. "Malthus on the Prospects for the Labouring Poor." *The Historical Journal* 31, no. 4 (December 1, 1988): 813–29.
[222] *Ibid.*
[223] Hollander, Samuel. "On Malthus's Population Principle and Social Reform." *History of Political Economy* 18, no. 2 (January 1, 1986): 187–235. ———. "On the Interpretation of Ricardian Economics: The Assumptions Regarding Wages." *The American Economic Review* 73, no. 2 (May 1, 1983): 314–18. Wrigley, E. A. *op. cit*, and "The Limits to Growth: Malthus and the Classical Economists."

course, is the classical Malthusian scenario, articulated by the Malthus everyone learns about, from selected excerpts of the first edition of the *Essay*. However, if the constraint to population growth "operated rather through reduced fertility and occurred before mortality had risen, a much higher level of equilibrium wages was attainable and might be sustained indefinitely."[224] Niall O'Flaherty affirms Wrigley's assessment, and contends that the Malthus of the first edition of the *Essay* seems to accept the idea that increases in income automatically lead to earlier and more widespread marriages. In the second edition of the *Essay,* however, Malthus' whole program shifts, O'Flaherty argues. Here Malthus' emphasis switches to the "preventive checks" which had allowed Western Europe to "escape the positive checks … that kept population down to means of subsistence in the 'lower' stages of civilization." No longer so fixated on natural limits, Malthus explored and tried to "give further impetus" to amelioration of poverty and population pressure.[225]

Wrigley's interpretation of Malthus is not wrong, for he is correct to point out the ambiguity in Malthus' work, and indeed the possibility that Malthus' later work opened up for much more optimistic view on the future. The problem, however, is that Wrigley fails to acknowledge the long history of such considerations, and in fact argues that considerations of the sort he has discerned in Malthus were absent in the work of his predecessors. This argument, as I will show, is entirely without basis, and

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[224] Wrigley, "Malthus on the Prospects for the Labouring Poor."
[225] O'Flaherty, Niall. "Malthus and the 'end of poverty'." Mayhew, Robert J., ed. *New Perspectives on Malthus*. Reprint edition. Cambridge, United Kingdom: Cambridge University Press, 2018, pp. 74-5.

demonstrates a major inattention to the complexity of the classical political economists' thoughts on the laboring poor, a complexity we find running through practically the whole history of the discipline. The fact is that the classical political economists did indeed engage in speculations on the social and cultural changes that could perhaps take place, and would be necessary, to rescue civil society's poor from lives of destitution. Crucially, and in contradistinction to Wrigley's claims, these speculations were explicitly concerned with marriage, and thus with population.

In the final section of the chapter I examine classical political economy's treatment of such questions. I argue that there is a line of thought in classical political economy, running like a thread from the mid-eighteenth century to the mid-nineteenth, according to which the propertyless laborer is considered to be capable of displaying a kind of economic calculus and rationality in his decisions over marriage and procreation, and reflexively, of civil society as providing the context in which the laboring subject might come to actualize, and begin to act according to, this latent economic rationality.

As A.W. Coats has argued, attitudes towards the economic subjectivity of the poor changed dramatically over the course of the eighteenth century, as earlier conceptions of the poor as basically lacking economic rationality were replaced by the acceptance of the notion that the laborer was also an economically motivated creature.[226] Paradoxically, the classical political economists' very analysis of the laws

[226] Coats, A. W. "Changing Attitudes to Labour in the Mid-Eighteenth Century." *The Economic History Review* 11, no. 1 (1958): 35–51.

of motion of the economy and its determinate relations was inseparable from a conception of modern civil society, which entailed a conception of the human subject, including the laboring propertyless subjects, as free, legally equal, and evidently capable of responding consciously and deliberately to market signals. The progression of civil society itself, I maintain, introduced the paradox that population and living standards of the laboring poor, as with other aspects of the economy, were governed by highly regular laws, laws which were conceived of as natural; simultaneously, however, this emergent socio-economic field of civil society itself necessitated conceiving of economic subjects as capable of free and rational action.

This discourse has resonances with earlier discourses on virtue and luxury, discourses which, in the earlier part of the eighteenth-century hardly considered the laboring poor at all. Here, a quote from Pocock, who has extensively researched discourses of virtue, commerce, and luxury in eighteenth-century political thought, is extraordinarily revealing:

> Virtue was redefined—though there are signs of an inclination to abandon the world—with the aid of the concept of "manners." As the individual moved from the farmer-warrior world of ancient citizenship or Gothic *libertas,* he entered an increasingly transactional universe of "commerce and the arts"—the later term signifying both the productive and audio-visual skills—in which his relationships and interactions with other social beings, and with their products, became increasingly complex and various, modifying and developing more and more aspects of his personality. Commerce, leisure, cultivation, and—it was soon perceived with momentous consequences—the division and diversification of labour combined to bring this about; and if he could no longer engage directly in the activity and equality of ruling and being ruled, but had to depute his government and defense to specialized and professional representatives, he was more than compensated for his loss of antique virtue by an

> indefinite and perhaps infinite enrichment of his personality, the product of the multiplying relationships, with both things and persons, in which he became progressively involved.[227]

What I am suggesting is that the discourse on luxury that Pocock here describes has as a parallel the shift in attitudes toward the poor over the course of the eighteenth-century, identified by Coats. Whereas the discourse covered by Pocock is of course concerned with what would happen to the virtues of society's most preeminent members, that which I treat, which is focused on the laboring poor, is concerned directly with their inclinations toward marriage, procreation, and consumption of commodities.

In the late-seventeenth and early-eighteenth centuries, many political economists were convinced that low wages were an utter necessity, just to get the poor to work. To paraphrase Petty, doubling the wages of the worker would result straightaway in his working half as much.[228] Such attitudes began to change radically in the eighteenth-century. As is well known, and as Coats reports, David Hume was an important figure in the development of this divergent line, which led political economists to consider the possibility "that an increased availability of the comforts and conveniences as well as the necessities of life could operate as a powerful

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[227] Pocock, J. G. A. "Virtue, Rights, and Manners." In, *Virtue, Commerce, and History: Essays on Political Thought and History, Chiefly in the Eighteenth Century*. Ideas in Context. Cambridge [Cambridgeshire]; New York: Cambridge University Press, 1985, pp. 48-49.
[228] Perelman, Michael. *The Invention of Capitalism: Classical Political Economy and the Secret History of Primitive Accumulation*. Durham, N.C: Duke University Press Books, 2000, p. 128.

stimulus to industry by all ranks of society."[229] Moreover, Coats also maintains, "The change in attitude … was not confined to such matters as wages, incentives, and mechanical aids, but formed part of a generalized conception of the labourer's role in the process of economic and social development."[230] It is this latter emphasis, on social development, with which I am concerned in this concluding section.

This line of thought on the capacity of the laboring poor to engage in an economic calculus in their marital and procreative decisions, I contend, both reflected and contributed to a broader social and political discourse concerning the natural basis and future viability of commercial society. As such, these speculations were, as I suggested above, parallel to a tradition of political reflections on the effects of luxury on the health and composition of civil society's upper classes, for the capacity for modern commercial society to sustain itself, and on the social and cultural adjustments and developments that traditional societies would undergo as the progress of civil society gave rise to a new kind of human subject. What will be seen is that several major classical political economists believed that with the progression of civil society and the proliferation of the division of labor that continued to make available of more and more conveniences, an economic rationality could begin to take shape in the poor. This would perhaps work to prevent laborers from marrying without means, establish new tastes and desires for commodities during times of high

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[229] Coats, A. W. "Changing Attitudes to Labour in the Mid-Eighteenth Century." *The Economic History Review* 11, no. 1 (1958): 35–51. See also, Buchan, James. *Adam Smith and the Pursuit of Perfect Liberty*. London: Profile, 2006, p. 93

[230] *Op. cit.*

wages, solidify the laborers' tendency to delay marriage during times of economic slowdown and decreased demand for labor, and potentially even work to keep married couples from adding new children to their families in response to wage increases. For precisely the reasons that Wrigley identifies, on the link between economic and population growth, this progress, it was noted by the classical political economists, would require the acquisition of a subjective disposition on the part of the laborer which entailed the capacity to exercise decisions to bypass having children (which often was presented as tantamount to the decision not to marry), in order to maintain a life with ample conveniences.

Once again working from Marx's critique of classical political economy and theory of commodity fetishism, I suggest that what was being advanced here was a discourse according to which commodities, conveniences, and luxuries could be brought into relations of equivalence with sex, marriage, companionship, and children. Though it was rarely couched in such straightforward terms, what this discourse suggested was a process by which the sexual and reproductive instincts of the laboring poor could become deracinated and subject to a calculating economic rationality. As was the case with all other commodities, such a rational assessment of the costs of marriage and procreation could be adjudicated through establishing something like the value equivalents of these natural impulses. However, I also contend that what this *bildungsroman* of the laboring poor failed to take stock of was the social form of capitalist production, and the resultant imperative, developmental dynamics, and crisis tendencies to which the capitalist mode of production gives rise.

The vision of thinkers like J.R. McCulloch, for instance, who hoped that new consumption habits amongst the laboring poor would become established as norms, and work as a disincentive to propertyless laborers having and rearing excess children every time they experienced gains in wages, was in reality little more than an apologetic bourgeois fable, a morality tale of how the laboring classes, through newly acquired consumption habits and sexual restraint, could keep themselves out of poverty. This discourse was only plausible precisely because the classical political economists who contributed to it failed to grasp the dynamics of production and crisis tendencies of capitalism that would make such a vision all but impossible in reality.

In understanding the development of a line of thought which entertained the possibility of the poor adopting an economic rationality that would keep them from having more and more children in response to every increase in wages, two important, and often misinterpreted aspects of their thought must be elucidated. The first concerns the subsistence wage, and the fact that every single classical political economist who analyzed population understood that the subsistence wage was, at least in part, socially determined. This is perhaps unsurprising, for as Cheney suggested, "eighteenth century economists drew on a fund of thought that did not clearly separate nature from manifestly artificial human institutions."[231] Yet at a more basic level, in a sense it must always be the case that the category of human subsistence, for any thinker who takes it seriously, must allow for a "manifestly

[231] Cheney, Paul. "Finances, Philosophical History and the 'Empire of Climate': Enlightenment Historiography and Political Economy." *Historical Reflections / Réflexions Historiques* 31, no. 1 (2005): 141–67.

human" dimension. For the fact that human beings are social and cultural creatures would seem to exclude *tout court* the possibility that, outside of the most extreme circumstances, the idea that the minimum subsistence wage would be a purely physiological determination. The classical political economists in fact incorporated a variety of social explanations into these theories. This was not a result of a deficiency in the theories themselves, quite the opposite. Rather, it grew out of a recognition that the phenomena of population and living standards are obviously complex social ones. Precisely because human beings are social creatures, human subsistence has an inexorably social and human dimension. Any attempt to do away with this social dimension, by reducing subsistence to a purely natural determination, would inevitably end up caught in a kind of theoretical performative contradiction. For the distinction between nature and culture is one which is made from the perspective of culture itself. The social dimension of human life simply cannot be abstracted from, especially when it comes to what is explicitly an analysis of social life itself. Any theory purporting to deal with population and living standards would therefore have to be able to integrate an array of social explanations, and contrary to popular belief, the classical political economists in fact attempted to do just that. This social determination of subsistence, the classical political economists recognized, simply cannot be explained away and reduced to purely economic terms, either in the modern sense as the result of the allocation of scarce resources to mutually exclusive ends, or according to the classical economists' theories of value and distribution of the total value-product of the economic activity of society.

When commentators such as Milgate and Stimson argue that Malthus established that "The natural wage rate would now be established by biological necessity rather than by convention," or when Polanyi contends that Ricardo and Malthus discovered that amelioration of poverty was bound to run into problems beyond human control, they are echoing a commonly held view.[232] Such a view, however, is simply wrong. The classical political economists always included a "moral" dimension in their concept of the subsistence wage. It was this social determination that kept even the lowest of wages, in the words of Smith, "consistent with common humanity."[233] It was this "moral" dimension that defined the subsistence wage as including things—such as wine for the French peasant, beer for the English laborer—that, while perhaps necessary for the maintenance of a labor force, are hardly necessary for bare life. It was, furthermore, this moral dimension that, as we saw above, led Ricardo to explain that the cost of keeping the race of laborers in existence includes those costs which cover not only his food and other "necessaries," but also those which he spends on the "conveniences become essential to him from habit."[234]

It is the second clause in Ricardo's definition of the cost of maintaining the race of laborers, his reference to "conveniences" arising from "habit," that expresses

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[232] Milgate and Stimson. *After Adam Smith: A Century of Transformation in Politics and Political Economy*, p. 121. Polanyi, Karl. *The Great Transformation: The Political and Economic Origins of Our Time*. 2nd edition. Boston, MA: Beacon Press, 2001. pp. 125-6.
[233] Smith, Adam. *An Inquiry Into the Nature and Causes of the Wealth of Nations, Volume 1*. Vol. 1 edition. Indianapolis, Ind.: Liberty Fund, 1982, p. 89.
[234] Ricardo, *op. cit.*

almost perfectly the ambiguity that was inherent in the classical political economists' wage theories. As I suggested above, such ambiguity is intrinsic, because wages, in capitalist society at least, are part of human, and therefore social life. They cannot be defined naturally. This very aspect of wages, as defined in part socially, opened up a question for the classical political economists' analyses of population and living standards. For if it were the case that habits amongst the working classes could work to introduce "conveniences" into the basket of goods deemed necessary for the perpetuation of their "race," what was the limit of this process? Furthermore, might it not be possible for the propertyless laboring class to begin to choose, when wages were high, higher living standards, that is, a basket of goods full of conveniences and some luxuries, that were by no account necessary to life, over family formation?

This leads to the second component of the classical political economists' ideas on population and living standards that must be understood in order to appreciate their speculations on the potential progress that civil society achieve in bringing about a permanent rise in wages for the propertyless laboring class. To return to a quote from Montesquieu from the introduction, in contradistinction to the animals, humans "disturb propagation in a thousand ways."[235] Malthus, by introducing the "prudential restraint," was merely recognizing the obvious social dimension of human procreation. Humans have, from time immemorial, taken measures to restrict unchecked population growth, and Malthus' recognition of this fact was no more original than the rest of his theory.

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[235] Montesquieu, *The Spirit of the Laws*. Cambridge University Press, 1989, p. 427.

This recognition was compounded by the classical political economists' awareness of a fairly unique marriage pattern that was the norm in much of Western Europe and England. The "Western European marriage pattern," as it is referred to by demographic historians, tended to limit nuptiality and family formation to economically solvent individuals. In much of the world, and throughout much of civilizational history, marriage has often been both early and fairly universal. Western Europe was unique in its relatively high levels of late- or never-married individuals.[236] This of course was the result of social and religious restriction placed upon marriage, which made family formation relatively difficult for those who could not establish their own households. Needless to say this was not a sure-fire way of restricting young people from getting pregnant, but it does help to explain why the classical political economists so often mention marriage when they speak of the tendency for wages to raise population: that is, wages do this not directly, but because they allow young people to get married.

The extent to which this marriage pattern was operational, interestingly, served for Adam Smith as a kind of benchmark of the level to which society had evolved. It also serves as evidence that in contrast to Wrigley's remarks, Smith by no means believed that the link between economic and population growth could not be broken, nor that it operated in the same way uniformly across the world. Smith, making a comparison between "civilized society" and the Scottish Highlands,

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[236] Hajnal, J. "European Marriage Patterns in Perspective." In, Glass, D. V., and D. E. C. Eversley, eds. *Population in History: Essays in Historical Demography*. London: Aldine Publishing Company, 1965.

suggests that "Every species of animals naturally multiplies in proportion to the means of their subsistence, and no species can ever multiply beyond it. But in civilized society it is only among the inferior ranks of people that the scantiness of subsistence can set limits to the further multiplication of the human species; and it can do so in no other way than by destroying a great part of the children which their fruitful marriages produce. …."[237] The example that Smith uses of such "inferior ranks," we find later in the passage, is in fact not an English laborer, whom he believed earned a subsistence wage that was much higher than most people anywhere else on earth. Rather, his example of natural scarcity working to destroy the children of desperately poor parents comes not from England's laboring classes, but rather from the "Highlands of Scotland," where Smith claims to have been told that "It is not uncommon … for a mother who has borne twenty children not to have two alive."[238] Smith's use of the Scottish Highlands as a region where the civilizing influence of commercial society has not yet brought the periphery the restrictions on procreation that are seen in the core is paralleled by Malthus' observations on the condition of the slums of the growing factory towns and the country areas inhabited by the poor. Malthus' repeats Smith in claiming that the "positive check to population, by which I mean the check that represses an increase which is already begun, is confined chiefly, though not perhaps solely, to the lowest orders of society."[239] In both thinkers, the operation of these "positive checks," in the

[237] Smith, p. 80.
[238] Malthus, *Essay on the Principle of Population.* p. 34
[239] *Ibid.* p. 35.

Malthusian terminology, are only at work in those sectors of society that have not yet adopted the methods of individual and cultural restraint that would have led to restrictions on marriage and procreation.

Interestingly, for Smith, the "lower orders," the wild Scottish Highlands, could be compared to regions outside of Europe which had practically no restrictions on marriage, and thus in fact did, at least in the racialized vision of these European thinkers, create conditions in which people pressed up against the means of subsistence. As was often the case, China provided Smith with a counterpoint from which to compare the condition of England and Europe. Here is Smith commenting on conditions in China:

> The poverty of the lower ranks of people in China far surpasses that of the most beggarly nations in Europe. In the neighbourhood of Canton many hundred, it is commonly said, many thousand families have no habitation…. The subsistence which they find there is so scanty that they are eager to fish up the nastiest garbage thrown overboard from any European ship. Any carrion, the carcase of a dead dog or cat, for example, though half putrid and stinking, is as welcome to them as the most wholesome food to the people of other countries. Marriage is encouraged in China, not by the profitableness of children, but by the liberty of destroying them. In all great towns several are every night exposed in the street, or drowned like puppies in the water. The performance of this horrid office is even said to be the avowed business by which some people earn their subsistence.[240]

In addition to highlighting the racialized gaze of the classical political economists, this serves as further demonstration of the importance of marriage, and the

[240] Smith, *Wealth of Nations.*

restrictions of encouragements given to it, in the determination of population growth.

Of major significance in the evaluations of Smith and his contemporaries of the various nations and populations of the earth was also the economic base of society, and the sort of character and spirit to which this gave rise. In the case of China, it was its unique rice-growing culture and climate, which created conditions in which something like maximum population pressure, and as a result, high levels of subsistence poverty, could prevail. The sheer numbers of people this form of agriculture made possible was the precondition for the cheapness of life that Smith assumed, with more than a hint of the racialized-gaze of the Enlightenment, existed there. Of course Smith's Orientalized vision led him, as we can see above, to conclusions about Chinese society that were wildly off the mark. But he was not alone in his interest in the economic base of society as the primary determinant of the level of population. Cantillon, as well, looked to China's agriculture base as the obvious explanation for its large population. "The common people [in China]," he observed, "are supported by rice and rice water … work almost naked .. and in the southern provinces have three plentiful harvest of rice each year thanks to the great care they give to agriculture." The idea that China represented Europe or England's future, as Wrigley's interpretation of the theory of the stationary state seems to imply, must be seen in the context of these more nuanced observations from Smith and his contemporaries on the material conditions that ground the life of a nation, and imbue it with its particular character.

This attention to the material base of society is also present in the classical political economists' vision of the "savage nations," which lay at the other extreme from China's massive population supported on rice cultivation. In the four-stages theory of the Scottish Historical school and in the historical and geographical vision of other social and political thinkers from the Enlightenment to early nineteenth-century classical political economy, hunting and pastoral people represented the early stages of "man's" development. These nations, too, were perhaps populated up to the level of their means of subsistence, but the very primitive nature of production in such societies meant that they simply did not produce enough subsistence to raise numbers to the level of Western Europe, let alone China. As Cantillon, offering a counterpart to Smith's Orientalized vision of China, claimed of America, "there is no country where the increase of population is more limited …. They neglect agriculture, live in the forests, and live by hunting the animals found there." The result, in Cantillon's estimation, echoing Locke, was that "since an Indian eats several animals in a year, 50 or 100 acres often supply only enough food for a single Indian."

The golden mean, as it were, between these two extremes was to be found in Western Europe and England's civil society. It was here, where commerce and the arts flourished, and in which Smith's "impartial spectator" guided the decisions of the individual, serving as a metric from which to assess the prudence of his own behavior, that the conditions were created for the possibility for the laboring poor to begin to exercise a measure of prudence over his or her own marital and procreative

decisions.[241] Especially as classical political economists in the early nineteenth century became more and more attuned to the potential for civil society to introduce new needs into the basket of goods making up the socially determined level of "subsistence," scenarios became thinkable in which laborers would choose to hold onto a basket of goods which were in no way required for the maintenance of life, rather than relinquish these goods if that was what marriage and family formation seemed to require. Malthus, as is sometimes forgotten, even in the first *Essay* maintains that the laboring poor, out of consideration of the future and indeed the way they will be viewed by others, will exercise some restraint before jumping into marriage:

> The labourer who earns eighteen pence a day, and lives with some degree of comfort as a single man, will hesitate a little before he divides that pittance among four or five which seems to be but sufficient for one. Harder fare and harder labour he would submit to, for the sake of living with the woman that he loves; but he must feel conscious, if he thinks at all, that, should he have a large family, and any ill luck whatever, no degree of frugality, no possible exertion of his manual strength, could preserve him from the heart rending sensation of seeing his children starve, or of forfeiting his independence, and being obliged to the parish for their support.[242]

It should be mentioned here the extent to which, in some very considerable ways, Malthus' whole argument, even of the first *Essay,* which is the gloomiest of the lot,

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[241] Haakonssen, Knud. *The Science of a Legislator: The Natural Jurisprudence of David Hume and Adam Smith*. Cambridge; New York: Cambridge University Press, 1981, p. 9.
[242] Malthus, Thomas. *An Essay on the Principle of Population*. Edited by Geoffrey Gilbert. 1 edition. Oxford; New York: Oxford University Press, 2008, p. 33.

has so often been misinterpreted. In Malthus we are dealing with the thought not only of a classical political economist, but also of a reverend and a rather extreme moralist. It is sometimes forgotten that one of Malthus' principal arguments, in addition to those he was attempting to make about population *per se*, has in fact to do with the quite ambiguous condition of human happiness. Malthus believed that the strictures of nature made it impossible for people to attain a condition of universal happiness, and the Western Marriage pattern actually plays a major role in his argument on this subject. Wage growth allowed young men to establish themselves with some degree of self-sufficiency and to take on the financial obligations that came with a semi-dependent wife and the wholly dependent children that marriage would almost inevitably bring. When wages were insufficient for this adventure, which Malthus believed they not infrequently were, young people would have to resign themselves to remaining single, or to a life of vice, by which he of course meant extra-marital sex.[243] And a life of vice, for Malthus, more-or-less by definition entails a life of unhappiness. Malthus thus puts his own argument into a win-win position. People die of starvation when there is not enough food to go around; or, when they are circumspect enough to avoid such scenarios via complex socio-cultural mechanisms that prevent famines from taking effect—such as having non-procreative sex—they join the ranks of the sexually illicit, thereby becoming, by his own definition, unhappy. Malthus' argument, even in the first *Essay,* clearly allows for the possibility

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that the earth will not become over-populated, so long as people will be willing to engage in the vicious and unnatural acts of extra-marital, non-procreative intercourse.

Malthus was, however, skeptical that even vice would be able to do the trick of limiting population. Certainly, as we have seen above, he believed that the unmarried man would think carefully about his prospects for maintaining a wife and children before getting married, and whether or not marriage, by increasing his financial burden, would lower his station. By viewing their peers and "betters," there were ample opportunities for laborers to consider what they would be giving up in return for the joys of marriage and family. In a passage similar to the one quoted directly above, Malthus claims that "In the present state of society other considerations [i.e. other that humankind's 'powerful instinct to the increase of their species'] occur." That is, the unmarried man, according to the Parson, will stop and consider: "Will he not lower his rank in life? Will he not subject himself to greater difficulties…? Will he not be obliged to labour harder? … May he not see his offspring in rags and misery, and clamouring for bread that he cannot give them."[244] However, immediately following this list of considerations, Malthus contends that:

> in all societies, even those that are most vicious [i.e. those that most tend toward the "vice" of extra-marital sex] the tendency to a virtuous attachment [to one woman] is so strong that there is a constant effort towards an increase of population. This constant effort as constantly tends to subject the lower classes of the society to distress, and to prevent any great permanent amelioration of their condition.[245]

[244] Malthus, *Essay,* p. 18.
[245] *Ibid.*

It is here that we see, again, the extent to which we are dealing with the ideas of a clergyman, for whom man's fallen condition on earth may always be used as a trump-card in an argument. For Malthus, human beings are simply in a lose-lose situation. If they exercise restraint, they will almost certainly end up turning to vice. If they exercise virtue, they will manifest this in a "virtuous attachment" in matrimony and thus end up, paradoxically, bringing misery on themselves. There is simply no escape from this condition, for the world, after all, is the dominion of Satan.

Malthus' skepticism and pessimism were, as Wrigley points out, more subdued in later editions of the *Essay*. But it was the first edition which has been by far the most widely read, and that gave Malthus the reputation he has to this day. It was also this infamously pessimistic outlook, so clearly displayed in the first *Essay,* which was the target of Nassau Senior's *Two Lectures on Population,* recorded during his Easter Term lectures at Oxford in 1828.

Senior had a more far more sanguine view both of the effects of economic growth on the laboring poor and of economic growth itself, in its ability to keep pace with population growth, indeed, to exceed it. In the *Lectures,* Senior concedes that there is indeed a tendency for means of subsistence to increase population. However, he was adamant that in the "natural tendency [of the human race] to rise from barbarism to civilization … it must follow that there is a natural tendency in subsistence to increase in a greater ration than population."[246] "Increased comforts,"

[246] Senior, Nassau William. *Two Lectures on Population: Delivered Before the University of Oxford in Easter Term, 1828*. Place of publication not identified: Forgotten Books, 2018, p. 49

Senior argued, resulting from increased "productive powers of labour" would "not only accompany, but rather precede, increase of numbers."[247] Why this was so Senior did not, at least not in the *Lectures,* fully address. But he seems to have held a dynamic conception of the of economic subjectivity of the laboring poor as, being deeply affected by the evolution of civil society. Security of property and liberty provided a context in which industry and commerce would flourish. In these conditions, he envisioned, a spirit of prudence among the laboring classes would naturally be diffused:

> I will only say at present that knowledge, security of property, freedom of internal and external exchange, and equal admissibility to rank and power, are the principal causes which at the same time promote the increase of subsistence, and by elevating the character of the people, lead them to keep at a slower rate of the increase of their numbers. And that restrictions on exchange and commerce, artificial barriers excluding the great majority of the community from the chance of social eminence, and, above all, ignorance and insecurity of person or property, are the general causes which both diminish the productiveness of labour, and tend to produce that brutish state of improvidence in which the power of increase, unchecked by prudence, is always struggling to pass the limits of subsistence, and is kept down only by vice or misery.[248]

For Senior, it appears, the elevation of the character of the people, the prudence necessary to keep numbers of people in line with the comforts and produced by the economic engine of civil society was a process that would happen naturally, of itself. It is here, however, that the possibility arises for a mutation in the character of the political economists' speculations on the evolution of civil society and the changes in

[247] *Op. cit.,* p. 35.
[248] *Op. cit.,* p. 51.

consumption norms and fertility that it seemed capable of bringing about. For what if civil society held up its end of the bargain, but the laboring classes did not? Assuming that civil society had indeed provided the liberty and security of property necessary for the transition in the attitudes of the laboring poor towards procreation and their own living standards to take place, who would be to blame if the transition did not occur?

For J.R. McCulloch, arch-apologist of the liberal order and vulgar-political economist *par-excellence*, the answer was clearly the poor themselves. There was, in the work of Malthus, a basis for blaming the poor for being too fertile and for lacking in foresight before entering into marriage. It is for this very reason that he gained the ire of Marx and Engels. However, in Malthus, I would argue, the actual agency attributed to the poor is at times quite minimal, or, at the very least, it is a question he is ambiguous about, as we have seen above. For Malthus, the misery of human beings was ultimately to be explained in theological terms. So too in Senior, the subjective agency of the laborer appears as a function of civil society itself. Moreover, there is at least a hint of recognition or suggestion, in Senior's reference to the "artificial barriers excluding the great majority of the community from the chance of social eminence," that civil society has not yet achieved all that it ought.

For McCulloch, on the other hand, civil society has, by securing property and establishing liberty, done all it can. As had his contemporaries, McCulloch speculated that tastes acquired by the working classes during times of high labor demand might be incorporated into the "conveniences" covered by the "subsistence wage." In times

of rapid economic expansion and rising demand for labor, workers would be liberally rewarded. This would lead to a considerable expansion of their basket of wage goods, and lead to an acquisition of new tastes. If such tastes could be standardized, they would get incorporated into the wage basket and that society viewed as "subsistence."

Whether or not this took place, however, was all up to the laboring classes. McCulloch was a founder of the "wages fund" doctrine, the idea that the amount capital in any country at any given time determines the demand for labor, and, according to Rubin, "the assertion that the wages of the individual worker is the *fractional share* obtained by dividing a country's total number of workers into an already-limited volume of capital."[249] As McCulloch himself put it, it is "by the amount of the capital applicable to the payment of wages belonging to a country, that its power of supporting and employing labourers is to be measured."[250] Therefore, he contends, it is obvious "that the average amount of subsistence falling to each labourer, or the rate of wages, wholly depends on the proportion between capital and population. … Labourers are everywhere the divisor, capital the dividend."[251] The obvious conclusion, for McCulloch, was that wage increases could only take place, and living standards only improve, if the working classes ensured that population grew more slowly than capital.

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[249] Rubin, *History of Economic Thought*, p. 315.
[250] McCulloch, J. R. *A Treatise on the Circumstances Which Determine the Rate of Wages and the Condition of the Labouring Classes, Including an Inquiry into the Influence of Combinations*. University of Michigan Library, 1854, p. 4.

[251] *Op. cit.* pp. 4-5.

McCulloch was, in a rather cynical manner, himself optimistic that such a change in consumption and procreative patterns could take place. As he suggested, the classical political economists' law that increased wages causes increased population must necessarily incorporate a lag-time, for the children born to the laboring classes will themselves not be ready to work for nearly two decades. "When wages rise," McCulloch thus observed, "a period of eighteen or twenty years must elapse before the stimulus which the rise gives to the principle of population can be felt in the market." This lag-time, he believed, was enough for the laborers, who as a result of the increased demand for labour, would "have a greater command over necessaries and conveniences," to improve their "habits" and "learn to form a more elevated notion of what is required for their comfortable and decent support."[252] Over time this would even raise the level, McCulloch believed, of what was considered the "natural" or "necessary wage."[253]

Like Senior, McCulloch suggested that through the acquisition of new tastes and living standards, "population will advance more slowly, as compared with capital, than formerly." And so too, laborers will gain a level of prudence and circumspection from their newly acquired tastes, and become "disposed rather to defer the period of marriage, than by entering on it prematurely to depress their own condition and that of their children."[254] This, McCulloch believed, was the *sine qua non* of the laboring class's maintenance of their lives and comfortable living

[252] *Op. cit.* p. 34.
[253] *Ibid.*
[254] *Op. cit.* pp. 35-36.

standards, for if their reproductive capacities were to outstrip the rate of growth of capital, the wages that they receive will inevitably be diminished.

While McCulloch himself, needless to say, does not view it in such terms, I would argue that this is yet another instance of Marx's theory of commodity fetishism at work in the speculations on population and living standards in the political economists. Only here, in McCulloch, it appears almost in the guise of a normative proposition. The laborer, he thought, ought to be able to consider the prospects of marriage in terms of the economic costs it would inevitably be associated with, and the "gains foregone," in the jargon of neoclassical marginal utility theory. The thing-like character of human beings considered as bearers of the commodity labor-power, have an objectively determined cost, to produce, raise, care for, and bring to adulthood. These costs were visible in market society for all who wished to see, and in their costs comparable to the whole world of other commodities. The poor, just like the capitalist, should navigate this world of commodities accordingly.

Moreover, the liberal state, in McCulloch's view, had given the laboring classes the requisite "security and freedom" to do just this; the state had done all that it could or should do. From there, it was up to the laboring classes to do with this freedom, and the meagre security of property they enjoyed in their capacity to work, just as they chose. The figure of the propertyless laborer, caught between a natural desire to marry and reproduce and a desire to maintain his or her living standards at a socially acceptable level, was in McCulloch's liberal fantasy land, alone responsible for the bearing the costs of his or her choice. As he coldly maintains, "The use or

abuse of these inestimable advantages [i.e. of liberty and security of property] is their own affair." In the end, the poor "may be either provident or improvident, industrious or idle; and being free to choose, they are alone responsible for the consequences of their choice."[255]

McCulloch's ideas on population and living standards stand out for their cynicism and apologetic character. Yet what his discourse shares in common with the range of ideas presented above was the general failure to take account of the unique social form of capitalist production, and the fact that these social forms give rise to their own economic imperatives and dynamics, over which the propertyless laboring poor have no control. Contrary to Adam Smith's dictum that the purpose of production is consumption, the capitalist mode of production is driven by its own immanent purpose, which is the realization of surplus value, in the form of profits. Whether of their own free-will as in McCulloch's account, or as the spontaneous result of the miracle of liberal civil society, as in Senior's, for the propertyless laboring classes to have tailored their reproductive habits to fluctuating demand for labor, and the vicissitudes of the market, which were becoming more and more extreme in this dawning era of industrialization, would have essentially been impossible.[256] It was only the classical political economists' inattention to capitalism's social forms, their inability to grasp the nature and driving imperatives of

[255] *Op. cit.* pp. 16-17.
[256] Benanav, Aaron. "A Global History of Unemployment: Surplus Populations in the World Economy, 1949-2010," 2014, pp. 75-76.

the capitalist mode of production, that made this fairytale of the poor taking control of their own economic fate appear plausible. In the next chapter we will turn to the work of Engel and Marx, and we will track the development of historical materialism's critique of this vision.

Chapter 3. Marxism and Population: From Engels' Critical Political Economy to Marx's Theory of the Capitalist Mode of Production

3.1. Engels, Marx, and Surplus Populations

In a scene from Charles Dickens' *A Christmas Carol,* Ebenezer Scrooge, capital incarnate, is visited in his offices by two men collecting alms for the poor. It is, of course, Christmas time and the merry men proceed to ask Scrooge how much they might put him down for as a donation to the indigent. In response, Scrooge asks sarcastically if there are no prisons. When one of the men responds that there are, indeed, plenty of prisons, Scrooge inquires if there are not Union workhouses, and if the Poor Laws are not still in operation. The men explain to Scrooge that while there are indeed still many workhouses in operation, many of the poor cannot go to these institutions and, indeed, that "many would rather die" than do so. Scrooge then replies by invoking a category that was common currency in his day, taken straight from the texts of early to mid-nineteenth century political economy. "If they would rather die," he barks, "they had better do it and decrease the surplus population!"[257]

As industrialization in the Dickensian era proceeded apace, the link between capital and wage-labor, so natural-seeming for Locke and Smith, began to weaken. "The social question," as it would come to be called, the problems of working class poverty, pauperism, and unemployment would for the orthodox tradition of classical

[257] http://www.opportunityinstitute.org/blog/post/a-christmas-carol-sending-the-poor-to-prison/

political economy and the advocates of free-trade—not unlike the champions of today's neoliberalism—always be in the process of being worked out on its own. So long as the market was left to operate according to its eternal, natural laws, there would be no "social question," as the rising tide of capital accumulation would surely lift all boats, big and small. For thinkers like J.B. Say and Ricardo, this was a theoretical principle. Supply and production, for these theorists, created demand. For as surely as a product was produced, labor had been hired to produce it. Someone, therefore, had to have gotten paid, and would in turn go straight out to the market to spend his or her wages on another product. Additional supply, then, not only kept up demand, it increased it. This was the thinking behind the orthodox idea that "general gluts," that is crises resulting from stockpiles of unsold and unsaleable goods, were simply impossible. If Smith's Invisible Hand were allowed to coordinate production and allocate capital as it was bound to do, then unemployment was, in theory, only ever a temporary problem, one which would soon be sorted out through the allocation of capital to under-invested lines. Short of this, the blame could only ever be put on the poor themselves and their habitual inability to keep their numbers in line with demand for labor.

However, these orthodox positions that general crises were impossible, that savings always took the form of investment, and that capital growth always entailed increased demand for the laboring classes—such that the interests of the capitalists and the propertyless were always, at bottom, the same—were beginning to grow stale as the industrial revolution picked up momentum. Indeed, the idea that there simply

could be no gluts and in turn no systemic crises of unemployment began to appear to a group of thinkers in this era to sound like a stubborn refusal to reckon with the brute facts of working class life and reality itself. In short, the social contradictions of industrial capitalist development were beginning, at least to some, to be obvious in this era, and intellectuals such as Simonde de Sismondi, Thomas Carlyle, and Dickens saw in political economy not only dismal science, but a science whose project entailed the flat-out denial of the real world.

This was the backdrop against which Engels, in the early 1840s, marshalled a critique of classical political economy and its population theories. From Engels' early works of the 1840s, to Marx's completed theory of the capitalist mode of production, the problem of surplus populations, of their causes and indeed their inevitability, would be a major concern for the founders of historical materialism. In the second half of this chapter I will examine several passages of Engels' works in which the problem of the formation and persistence of surplus populations is theorized. I begin, however, with a summary account of the equilibrium theories of orthodox classical political economy. This account will examine the theoretical basis of the idea that unemployment could not be a constitutive feature of the economy and that, therefore, surplus populations must be caused either by temporary misallocations of capital, or be the fault of the poor themselves. This is followed by a brief account eclipse of the formation of a "critical political economy" which, beginning in the second decade of the nineteenth-century broke away from and then paralleled the orthodox tradition. This tradition emerged out of a rejection of orthodox political economy's unyielding

faith in the tenet that supply created its own demand, and examined the contradictions of capitalist development which the orthodox political economists either ignored or attempted to explain away.

I then turn to an examination of Engels' *Condition of the Working Class in England,* and "Outlines of a Critique of Political Economy," both published in the early 1840s. Here, building from the work of Simon Clarke, I show that while Engels' work represents a radical critique of orthodox classical political economy and leads to breakthroughs in the conception of surplus populations, it nonetheless, at this very early stage of the development of historical materialist philosophy, did not yet grasp the grounding social forms upon which capitalist private property and capitalist production rests. Clarke has argued that Engels' "Outlines of a Critique of Political Economy" has an account of crisis which, while representing a major breakthrough in terms of the evolution of a critical political economy, has not yet come to identify the grounding social forms of the capitalist mode of production. As a result, this analysis remains stuck, as it were, at the level of an analysis of private property and inter-capitalist competition. As Clarke explains, "Engels's critique of political economy was an attempt to show that private property is at the root of all the evils of the capitalist system. The basis of this demonstration was the conflict of economic interests to which private property gives rise in the sphere of competition."[258] However, this analysis does not, as Clarke contends, "explain *why* the rapid growth of production under the pressure of competition should lead to [crises of]

[258] Clarke, *Marx's Theory of Crisis,* p. 57.

overproduction."[259] This analysis is therefore ultimately superficial, Clarke argues, because it is unable to diagnose the grounding social forms of the capitalist mode of production which give rise to private property and competition in the first place.[260]

I build upon Clarke's argument, with a focus on Engels' conception of the formation of surplus populations. I show that Engels believed that surplus population were a result of private property, competition, and its ramified contradictions. Engels' focus on private property and competition, it will be seen, results in an account of the formation of surplus populations, the formation of the "reserve army of labour," as a constitutive feature of capitalism. Engels' account of the formation of the reserve army of labor is extremely acute; nonetheless, it will be seen that his analysis ultimately remains focused on capitalist competition and, indeed, competition amongst workers themselves for jobs. As a result, Engels' account of the formation of a reserve army of labor, while a major contribution to historical materialist thought, one which made a profound effect on Marx and absolutely should not be underestimated, nonetheless was not grounded in an account of the social forms of capitalist society.

A symptom of this shortcoming, I then argue, may be seen in Engels' account of the emergence of the proletarian class in *The Condition of the Working Class in England.* Here, Engels argues that the "history of the proletariat in England begins with the second half of the last century [i.e. the eighteenth], with the invention of the

[259] *Op. cit.,* p. 59.
[260] *Ibid.*

steam-engine and of machinery for working cotton."[261] Because capital cannot exist without wage-labor, this argument is tantamount to the claim that capitalism begins with the implementation of machinery. This perspective on capitalism's origins will, of course, be radically revised in Marx's later account, in which the origination of the grounding social forms of capitalist production is traced back to the dispossessions of the peasantry and enclosures of the commons which took place, as we saw in the close of Chapter 1, in the English countryside from the late-medieval to the early-modern period. Engels' lack of a clear grasp of the social forms which ground the capitalist mode of production is reflected, I suggest, in an account of capitalism which is focused, at bottom, on the emergence of machinery, as opposed to the establishment of the capital-wage-labor relation, the production of commodities, and the social relation of value and surplus value. This is important, I maintain, because it was these grounding social forms of capitalism which were behind the invention of machinery and its application to production, in the first place, and which created a proletariat to work in industry *before* industry had grown to occupy the position in the economy that it eventually would as the industrial revolution proceeded apace.

Finally, I conclude this study with a brief examination of some of Marx's method of analysis of population and surplus population, and its relationship to his critical theory of capitalism, more generally. Here again, the basis of my argument is deeply influenced by the work of Clarke. Private property was, as Clarke argues:

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[261] Engels, Frederick. *The Condition of the Working Class in England.* In, *Karl Marx and Frederick Engels Collected Works.* International Publishers: New York, 1975, p. 307.

> … an unexplored premise in Engels's analysis. … For Engels private property and exchange were inseparable, but property remained the foundation of exchange. Marx displace the institution of private property from this fundamental role, arguing that private property is only the juridical expression of a more fundamental relation, the social relation of commodity production, in which production is subordinated … to money, in which the social character of production confronted the producer as an external force. This led to a fundamentally different analysis of the social form of capitalist production to that proposed by Engels.[262]

Thus, for Marx, "The *exchange* relation is merely the expression of the social relations of *commodity production.*"[263] Behind, or within, the commodity stand the social relation of value, and as Jairus Banaji argued, "the whole understanding of what capital is … depends crucially on an exposition of the theory of value."[264] Here, Banaji is following Marx himself, who expressed that "To develop a concept of capital it is necessary to begin not with labour but with value, and, precisely, with exchange value in an already developed movement of circulation."[265] Marx's theory of value and exchange, of course, is in *Capital* introduced in the first chapter. It begins with Marx's examination of the cell-form of the commodity, the form of wealth of a society "in which the capitalist mode of production prevails."[266] Thus, as Banaji suggests, for Marx, the "simple commodity, the point of departure, already presupposes a specific form of the social division of labour, it presupposes the

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[262] *Op. cit.* p. 60.
[263] *Ibid.*
[264] Jairus Banaji, "From the Commodity to Capital: Hegel's Dialectic in Marx's *Capital,* in Elson, Diane. *Value: The Representation of Labour in Capitalism*. London: Verso, 2015, p. 24.
[265] Marx, *Grundrisse,* p. 259.
[266] Marx, *Capital,* p. 125.

bourgeois mode of production in its totality."[267] It is this analysis of the social forms—the commodity form, the value form—that is the foundation of Marx's critical theory of the capitalist mode of production, and it is this, in turn, that grounds his analysis of the formation of surplus populations within a capitalist mode of production.

It is the vital importance of attention to social form in the explanation of the relationship between population and capital, and thus of surplus populations under capitalism, that has unified the arguments presented in this study. I have, in the previous two chapters, argued that a Marxian critique of classical political economy's population theories would necessarily have to be directed at its grounding ideology, its naturalization of capitalism. This argument has implied, all along the way, that from Marx's perspective, classical political economy's population theories were insufficient because they did not grasp the social form of capitalism, as a historically and socially specific mode of production, driven by the imperative to realize profits in the form of money, via the production of surplus value through the production and sale of commodities.

Engels, of course, realized that capitalist competition was based on a striving after money, a drive to make money from money. But the classical political economists realized this, as well. It is the absence of a rigorous examination of the value categories as the grounding social form of capitalism in Engels' early works, and his focus instead at the level of competition, which limits perhaps not the scope,

[267] *Op. cit.,* p. 29.

but certainly the depth of his population theory. As a result, for Engels, surplus populations arise out of a contradiction between production and distribution, the latter dominated, unnaturally in Engels' view, by private property. In Marx's critical theory, on the other hand, it is production itself that structures these contradictions, and thus it is precisely the social relations, the social forms, of the commodity, value, and surplus value that are the foundation of Marx's analysis of population. This may be seen clearly in that for Marx the problem of surplus populations in a capitalist society is conceived of in terms of what Marx took to be the central contradiction of this mode of production, a contradiction which develops precisely because of this mode of production's grounding social forms. "Capital itself is the moving contradiction," as Marx suggested, "[in] that it presses to reduce labour time to a minimum, while it posits labour time, on the other side, as sole measure and source of wealth."[268] This same contradiction, Marx explains in the same text, unfolds through its effects on the propertyless laboring class. As he says, "Hence, the tendency of capital simultaneously to increase the *labouring population* as well as to reduce constantly its *necessary* part (constantly to posit a part of it as reserve). And the increase of population itself the chief means for reducing the necessary part. *At bottom this is only an application of the relation of the single working day.* Here already lie, then, all the contradictions which modern population theory expresses as such, but does not grasp."[269] Incidentally, this passage ought in itself to put to rest the

[268] Marx, *Grundrisse,* p. 706.
[269] *Op. cit.,* pp. 400-401.

misconceptions, to which I drew attention in the Introduction, that population and classical political economy's theories of population held little interest for Marx. The contrary, it seems, is quite obvious. As was the case with the classical political economists, so too for Engels and Marx, populations were conceived of as profoundly affected by the accumulation of capital, and population itself was a central category of analysis. However, in radical distinction from the classical political economists and even in distinction from Engels, Marx understood that in a capitalist society population and the existence of surplus populations can only be fully understood if they are integrated into a theory which accounts for the grounding social forms of capitalist society. The upshot is that the contradiction between population and capital is not the result of the domination of private property, as Engels believed, but of the production of commodities under the domination of the forms of value.

3.2. The Equilibrium Fantasies of Orthodox Classical Political Economy

As we saw in the concluding section of the last chapter, the answer to the question of where it was that surplus populations came from was for a "vulgar" political economist such as J.R. McCulloch quite clear. Within a liberal society that secured property and personhood, surplus populations must be the fault of the poor themselves, the result of the poor's "imprudence." The best possible society, the society that was the natural and rational result of the progress of man, put in place the conditions that guaranteed the poor their personal liberty and the security of their property (which could, of course, only be their ability to work), and, as McCulloch

maintained, neither could nor should do anything more. If, in the context of this best of all worlds the poor could not control themselves and persisted in having children they ought to have known and very well could have known they could not support then they, for McCulloch and his ilk, had no one to blame but themselves.

McCulloch's vision, a "vulgarization" of Ricardo, as Marx considered it, represented the stubborn end of a line of political economic thinkers, developing since the mid-Eighteenth century, which had seen in civil society an almost miraculous capacity for the pursuit of individual self-interest to be transmogrified into collective benefit. In the currents of social and political thought that came together to give rise to classical political economy in the century before Malthus and Ricardo, a kind of *idée fixe* amongst intellectuals involved the mechanisms through which the individualistic motivations of people acting in the atomistic field of civil society seemed almost providentially (though belief in a deity was of course not required), to redound to the benefit of all. Bernard de Mandeville had his own version of a fascination with this, in his conception of the relationship between private vices and public virtues. Even in vice, Mandeville asserted, could be discerned positive outcomes within the field of civil society considered more broadly. But Mandeville, whom Marx describes as "an honest man with a clear mind,"[270] still believed that the poor were practically a different species. Thus, as Mandeville suggested, they needed to be brought to heel, paid only enough to get by so that they would be sure to show up to work on a daily basis. For as an early-eighteenth-century thinker Mandeville

[270] Marx, *Capital,* p. 765.

was still convinced, as had been Petty, that if the poor were paid above subsistence they would naturally stretch this out in the form of leisure time, days off. For Smith, writing almost a half-century later, the beneficial character building effects of civil society were available to the propertyless worker as well. As we saw in the conclusion of the second chapter, Smith and Senior believed that the progress of society would bring changes in the habits of the poor, and that one of several results would be an almost spontaneous decline in their tendency to have so many children. Civil society's guiding Invisible Hand ensured that society would be held together despite the self-interested motivations of its members; and civil society also set conditions in place for the self-improvement of these same individuals, from top to bottom. It was precisely so that such outcomes, redounding to the benefit of all, could be realized that Smith believed that the individualistic motivations of economic actors should within broad compass be allowed freedom of movement.

In Adam Smith's day, and to a lesser extent Ricardo's, the idea that civil society worked to harmonize the self-interested pursuits of individuals was in some ways a plausible one. After all, at the end of the eighteenth and early nineteenth-centuries, production proceeded according to relatively slow rhythms. As Marx, in a passage quoted by Clarke, wrote, "Until 1825—the time of the first world crisis—one could say that the requirements of general consumption and that the development of machinery was the necessary consequence of market requirements … since 1825, the invention and the use of machinery has only been the result of the war between

employers and workers."[271] In *The Poverty of Philosophy,* Marx expatiated on this issue. Again, Marx, quoted by Clarke, says that previously "it was demand that dominated supply, that preceded it. Production followed close on the heels of consumption. Large scale industry, forced by the very instruments at its disposal, can no longer wait for demand. Production precedes consumption, supply compels demand."[272] As Marx and Clarke are here indicating, the slow rhythm of production, the fact that production was by in large focused on meeting consumer demand, could in Smith's era be explained by the fact that the application of machinery to the process of production had not yet resulted in the break-neck dynamics of capital accumulation that were to take hold just half a century later. Capital investment, under such conditions, could somewhat plausibly have been seen not as resulting in displacement of the labor force, but rather in a steady increase in labor demand.

Ricardo of course recognized the conflictual nature of the relationship between owners of capital and labor. In his insistence on labor as the sole source of value it followed that profits, surplus value, necessarily came from the proprietors' appropriation of a portion of the value-product created by labor. Nonetheless there was a deep continuity uniting the theories of Smith, Ricardo, and Jean-Baptiste Say. For these thinkers continued to be influenced by Smith's dictum that "consumption is the sole end and purpose of production."[273] Working from this principle, Smith also

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[271] Clarke, *Marx's Theory of Crisis*, p. 63. Clarke is quoting from *Karl Marx and Frederick Engels Complete Works,* V. 8, p. 99.
[272] *Op. cit.,* p. 62. Here Clarke quotes from *Karl Marx and Frederick Engels Complete Works,* V. 6, p. 137.
[273] Smith, *Wealth of Nations,* V. 2, p. 660.

believed that "What is annually saved is as regularly consumed as what is annually spent, and nearly in the same time too; but it is consumed by a different set of people."[274] As we saw in chapter 1, Smith believed that all capital, which he thought arose out of savings, of frugality, ended up increasing demand for labor. "Parsimony," he says, "by increasing the fund which is destined for the maintenance of productive hands, tends to increase the number of those hands whose labour adds to the value of the subject upon which it is bestowed."[275] For the classical political economists who comprised the orthodox tradition, Smith's principle that consumption was the aim and purpose of production was not a theoretical ideal, it was rather a key piece of their economic analysis. Thus, production was not only aimed at consumption, it literally resulted in consumption. This idea would stubbornly persist well into the period in which, for more critical political economists, it was becoming obvious that demand for labor hardly sufficed to give employment to the working poor.

Thus, for the thinkers who succeeded Smith and comprised the orthodox tradition of political economy, the idea that investment created its own demand was practically a theoretical axiom. This is the basis for the famous "Say's Law." According to Say, "The mere circumstance of the creation of one product immediately opens a vent for other products." Similarly, for Ricardo, "Demand is only limited by production."[276] These ideas, as Sowell says, were not in every single

[274] Smith, *Wealth of Nations,* p. 337-338.
[275] Smith, *op. cit.,* p. 337.
[276] Cited in Rubin, *Op. Cit.* p. 338.

detail accepted by every classical political economists, but they nonetheless formed "a solid core of propositions on which the whole orthodox tradition agreed," bracketed by "a penumbra of corollaries and related ideas to which some subscribed and some did not."[277]

In the main, the orthodox tradition's faith in this constellation of ideas on the relationship between supply and demand, production and consumption, was not shaken by the increasingly widespread application of machinery to production. As Maxine Berg reports, Ricardo believed that machinery would only result in technological unemployment "during a time of construction and rapid accumulation of fixed capital."[278] On the other hand:

> As soon as the new machine came into operation such high costs of [fixed capital] accumulation would be compensated by the lower labour or 'circulating capital' input required in running the new machines. This would seem at first sight only to add to the level of unemployment. But this was not so. For the fact that labour was displaced from the sector using the new machines would lead to lower costs of production, and therefore create a surplus which would in turn create the means for re-employing labour in other sectors.[279]

The result was that "Ricardo did not believe that technological unemployment must be the necessary result of any change in techniques in a particular industry." This gave a much more sanguine character, in Berg's view, to Ricardo's ideas, in

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[277] Sowell, Thomas. *Say's Law: An Historical Analysis*. Princeton University Press, 2015, p. 12.
[278] Berg, Maxine. *The Machinery Question and the Making of Political Economy 1815-1848*. Revised ed. edition. Cambridge: Cambridge University Press, 1982, p. 67.
[279] *Ibid.*

particular his ideas on the progression of wages, than has often been attributed to him. For "Ricardo confined the time of difficulty to the period of accumulation [of fixed capital]." After this, "there ought to be no further restriction … on the demand for labour."[280]

A direct corollary of this and another foundational principle of orthodox classical political economy—from Smith to Say to James Mill to Ricardo to Torrens to McCulloch—was the idea that a "general glut" of products that could not be moved off the market due to insufficient demand was essentially impossible.[281] That is, there could be no overproduction, because produced supply created demand for itself. These economists were not so obtuse as to refuse to admit that partial short-run imbalances could and did occur, due to faulty distribution or the misallocation of capital. They recognized the possibility of depression and "were never guilty," according to Sowell, "of the absurdity sometimes attributed to them of denying the *existence* of depressions, unsold goods, and unemployment."[282] However, they attributed this to misallocations and disproportions that the market would of itself correct by opening up profitable avenues for investment in the under-stocked lines. Thus as Sowell explains, for the orthodox classical political economists of the nineteenth-century—Say, James Mill, Torrens, and Ricardo—the only possible glut was partial, "There was no general glut or aggregate overabundance."[283]

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[280] Berg, *op. cit.* pp. 67-68.
[281] Sowell, Thomas. *Say's Law: An Historical Analysis*. Princeton University Press, 2015, p. 12 & 51-52.
[282] *Op. cit.,* p. 51.
[283] *Op. cit.,* p. 52.

It was this position on the relationship between production and demand that underpinned, as we have seen, the orthodox classical political economists' ideas on surplus populations. For the direct implication of the idea that supply creates its own demand and that even machinery itself ends up over the long-run creating increased demand for labor was that there simply was no such thing as long-run technological unemployment. This, in turn, implied that as far as the orthodox position was concerned the unemployed masses, if they indeed did persist over the long run, must have arisen out of the excess procreation of the propertyless laboring poor themselves.

For the orthodox classical political economists there simply were no endogenous tendencies in the system itself that would work to destabilize the relation between capital and labor. The role of employment, established by Locke as the natural mediating link between the propertyless and their means of subsistence, was so ideologically lodged in the minds of these thinkers that, as the saying goes, the exception proved the rule. Surplus population were therefore not a consequence of capitalist production, and therefore must only have one explanation and solution. Given this orthodox position on the natural long-run equilibrium of supply and demand, the only way to fix the problem of surplus populations—literally the only conceivable long term solution for orthodox political economy—was for the poor to stop having so many children and align their numbers with labor demand. If they were to do this, everything would over the long run smoothly.

3.3. The Critical Political Economists: Barton and Sismondi

Keynes famously quipped that "in the long run we are all dead." Cold comfort indeed would it have been for the unemployed laborer to be assured by the disciples of Ricardo and Say that, as misallocated capital naturally wended its way towards profitable lines all labor would find itself employed by capital. Obviously, the results for the laboring classes, who lived hand-to-mouth, of even temporary unemployment could be disastrous. Furthermore, it was admitted even by the orthodox economists themselves that temporary instances of disequilibria resulting from misallocation of capital were possible. In the anarchy of capitalist competition, what would prevent such misallocations from being a persistent feature of the economy? Was it really the case that such imbalances resulting in unemployment and crises really were just temporary aberrations?

Such objections were beginning to be raised within the discipline of political economy itself, as the socio-naturalistic equilibrium theories of the orthodox line were called into question in the early nineteenth-century by a group of thinkers who looked at the relationship between capital and labor, supply and demand, with far more skepticism. I refer to this line of thought as critical political economy.[284] For our purposes, we can trace one of its tributaries back to the work of Malthus, himself. Malthus was not a critical political economist in the strict sense, in that ultimately, according to Marx, he "wishes to see the freest possible development of capitalist

[284] I am not here considering either Utopian Socialism or the early worker's movement, both of which were, needless to say, skeptical of the above orthodox positions as well.

production."[285] However, alongside this wish, Malthus was an apologist of the old order and the classes of non-productive consumers.[286] It was this unique blend of the new and the old in Malthus' thought that led Marx to observe that "Malthus is interested not in concealing the contradictions of bourgeois production, but on the contrary of emphasizing them, on the one hand, in order to prove that the poverty of the working classes is necessary … and, on the other hand, to demonstrate to the capitalists the necessity for a well-fed Church and State hierarchy in order to create an adequate demand for the commodities they produce."[287] This position at least required Malthus to admit that there were contradictions in the first place, and they here merit a brief explanation.

In the first edition of the *Essay,* Malthus, in the heading to Chapter XVI, proposed that Adam Smith likely been wrong "*in representing every increase of the revenue of stock of society as an increase in the funds for the maintenance of labour.*"[288] Malthus' initial objection was at this point still articulated in the context of his fixation over the means of subsistence and their limitations. For there will not be "a real and effectual [increase of the] fund for the maintenance of an additional number of labourers, unless the whole, or at least a great part, of this increase of the stock or revenue of the society be convertible into a proportional quantity of provisions."[289] In his later *Principles of Political Economy* (1836), Malthus retains

[285] Marx, *TSV,* V. 3, p. 52.
[286] *Op. cit.,* p. 51.
[287] *Op. cit.,* p. 57.
[288] Malthus, *Essay,* p. 124.
[289] *Op. cit.,* p. 125.

this pessimistic streak, but his attention is focused on a more general problem. In the *Essay,* his concern is that while the accumulation of capital will doubtless increase demand for labor, it will not improve the life of the poor if it does not also lead to more food production. In the *Principles,* by contrast, Malthus begins to question whether there might not be a contradiction at the heart of the orthodox position that investment is created through the parsimony of the capitalist and landowning classes. For if it is the case that capital accumulates via the savings of these classes (the orthodox tradition equated savings with investment), would they not, through this very same parsimony, cause a slack in demand? As Malthus argues:

> It is undoubtedly possible by parsimony to devote at once a much larger share than usual of the produce of any country to the maintenance of productive labour…. But it has already been shewn that the consumption and demand occasioned by the workmen employed in productive labour can never *alone* furnish a motive to the accumulation and employment of capital; and with regard to the capitalists themselves, together with the landlords and other rich persons, they have, by the supposition, agreed to be parsimonious, and by depriving themselves of the usual conveniencies and luxuries to save from their revenue and add to their capital.[290]

It was just this sort of observation that endeared Malthus to Keynes. For Malthus is here identifying what Keynes believed was a fundamental problem with investment. If the classes of the wealth, the only classes capable of significant investment, does not believe that their investments will be met with sufficient demand, they will in that case not invest. They will, instead, prefer to hold onto their savings.

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[290] Thomas Robert Malthus, *Principles of Political Economy.* London: W. Pickering, 1836. https:/oll.libertyfund.org/titles/2188, pp. 314-315.

Malthus' opinion was that if the rich did invest this would necessitate parsimony; this, as he indicates at the end of the passage quoted above, he takes to be *prima facie* evidence of the possibility of a general glut. For if the workers themselves cannot provide this demand, and the investing classes have, in the very act of investing, committed themselves to parsimony, then where will the demand for goods produced as a result of these new investments come from? As he puts it:

> It has been thought … that although there may easily be a glut of particular commodities, there cannot possibly be a glut of commodities in general; because according to their view of the subject, commodities being always exchanged for commodities, one half will furnish a market for the other half, and production being thus the sole source of demand, an excess in the supply of one article merely proves a deficiency in the supply of some other, and a general excess is impossible. This doctrine, however, as generally applied, appears to me to be utterly unfounded….[291]

Malthus believed that this problem could at least in part be ameliorated by the demand of the non-productive classes. It was for this reason that Marx referred to him as a sycophant, and that his theory of underconsumption represented "an apologia for the existing state of affairs in England, for landlordism, "State and Church," pensioners, tax-gatherers, tenths, national debt, stock-jobbers, beadles, parsons and menial servants … assailed by the Ricardians as so many useless and superannuated drawbacks to bourgeois production."[292] Interestingly, however, Malthus touches on something in this passage which will indeed be of interest for Marx in his critical theory of capitalism. As Malthus says, the orthodox position was based in part on the

[291] *Op. cit.,* p. 315.
[292] Marx, *TSV,* V. 3, p. 52.

conception that commodities traded with commodities. This, in a capitalist economy, is in fact not true. Commodities exchange for money. The implications of this, while not explored in detail in what follows, were indeed of immense importance for Marx, both in his theory of capitalism generally, and his theory of crisis, more specifically.

Before turning to the work of Engels, I want briefly now to touch on two other figures who represent the critical tradition of political economy, more properly speaking. These figures are John Barton and Simonde de Sismondi. The former called into question the basic premises of the entirety of classical political economy's theory of population, and the latter provided one of the sharpest indictments of capitalist society before Marx and Engels, themselves. Barton is especially noteworthy for this study because of his demolition of the classical population theory. We have seen that for the classical political economists, high wages were a spur to population growth. For higher wages would, in theory, allow the laboring classes to marry earlier, which would inevitably lead to growth in population. The only way that this link would be broken, as we have also seen, was if the propertyless laboring poor acquired a taste for conveniences and luxuries that caused them to bypass marriage in response to wage gains or, alternatively, or in tandem, the progress of civil society itself caused the "fairer sex" amongst the working poor to become, as had their upper-class counterparts, less fertile, even in marriage. It was this link, between wage growth and population, that Barton stood on its head.

Machinery, as the above quote from Marx in his letter to Annenkov made clear, was in its initial phases used not principally as a way for capitalists to compete

with each other, but rather to compete with their workers. In the early nineteenth-century machines had not yet fully developed the cyclopean power they would attain by the last half of the century. As a result of this relatively low level of development, the difference between what could be produced by machinery and what could be produced with added laborers was not as stark as it would eventually come to be. Because of this, capitalists could choose to switch back and forth between the implementation of machinery versus additional hands. They did so precisely in response to movements in wages.

Barton, in his *Observations on the Circumstances Which Influence the Condition of the Labouring Classes of Society* (1817), begins his treatise with two observations. The first is built upon an historiographical investigation that shows that there had been frequent periods in English history in which population grew despite low demand for labor and relatively high rates of poverty. The second, involved a rebuttal of the orthodox position that accumulation of capital necessarily leads to increased demand for labor. Barton summarizes his point of departure as follows. "As the doctrine that the progress of population is measured by the increase of wealth does not appear to be true in fact [i.e., historically]," he argues, "so on the other hand it seems to me not consistent with sound reasoning. It does not seem that every accession of capital necessarily sets in motion an additional quantity of labour."[293]

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[293] Barton, John, and Royal College of Physicians of Edinburgh. *Observations on the Circumstances Which Influence the Condition of the Labouring Classes of Society*. London : Printed for John and Arthur Arch ..., by W. Mason, Chichester, 1817. http://archive.org/details/b21947041, pp. 14-15.

The latter assertion is grounded in Barton's separation of capital between "fixed" and "circulating" components. Fixed capital is machinery, of course, and Barton argues that only increases in circulating capital, and not increases in fixed capital, lead to increases in demand for labor.[294]

It is here that Barton poses the question that will set up his take-down of the classical theory of population depends. Capitalists work with two different types of capital, his argument posits. What then, determines the ration between the two? As he puts it:

> What are the motives which determine the manufacturer and the farmer sometimes to enlarge their fixed, at other times their circulating capitals; sometimes to invest their accumulation in the construction of machinery, or in permanent improvements of the soil, calculated to give an equal produce with a smaller number of hands; at other times to hire additional workmen for the purpose of bringing to market a larger produce?[295]

Barton's answer to this question is that the motive behind the decision of the capitalists and farmers to sometimes use a larger quantity of fixed capital, other times a large quantity of circulating, comes down precisely to the level of wages. He argues, "It is the proportion which the wages of labour at any particular time bear to the whole produce of that labour, which appears to me to determine the appropriation of capital in one way or the other."[296] When wages go up, the capitalists respond by employing more fixed capital, more machinery; when wages go down, the capitalist

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[294] *Op. cit.* p. 16 & 68.
[295] *Op. cit.,* p. 17.
[296] *Ibid.*

takes advantage of the low price of labor and employs more hands. This leads Barton to conclude that the relationship between wages and rates of marriage is in fact the opposite of what the classical political economists have suggested. For, "[It] is the difficulty of finding employment, much more than the insufficiency of the rate or wages, which discourages marriage."[297]

Barton's argument also depended upon his high degree of pessimism that workers would in fact acquire tastes for goods that would lead them to hold off on marriage in response to employment opportunities. Such changes in consumption habits obviously take time, and for Barton it appeared rather clearly that were barely taking place at all. Thus he believed:

> It is not by any nice comparison of the recompense of labour with the expence of living that the poor are discouraged from undertaking the charge of maintaining a family: uneducated man is guided very little by abstract reasoning, very much by custom: if a youth can get the same wages that his father and his neighbours obtain, he concludes he is in a situation to marry, seldom thinking much of the expence of living.[298]

In the remainder of the text Barton offers a dissenting view from the orthodox position that the Poor Laws cause low wages, and questions the soundness of the reasoning behind the argument that the rates do more harm than good.[299] In general, he displays a genuine concern for the poor. While Marx identified errors in Barton's understanding of the composition of capital, its division into fixed and circulating

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[297] *Op. cit.* p. 27.
[298] *Ibid.*
[299] *Op. cit.* pp. 59 & 65.

portions, Marx also maintained the Barton's contributions were of "indisputably" of "very great merit."[300] This was particularly the case, in Marx's view, of Barton's contribution to theorizations of the relationship between wages and population. Here, Marx declares that with Barton, "Essentially … the whole of the absurd theory of population was … overthrown, in particular also the claptrap of the vulgar economists, that the workers must strive to keep their multiplication below the standard of the accumulation of capital."[301] As far as discerning the deeply contradictory nature of capitalist development, however, Marx reserved his highest praise for another of the critical political economists, Sismonde de Sismondi.

Sismondi, in Marx's view, was "profoundly conscious of the contradictions of capitalist production," and even "particularly aware of the fundamental contradiction: on the one hand, unrestricted development of the productive forces and increase of wealth which, at the same time, consists of commodities and must be turned into cash; on the other hand, the system is based on the fact that the mass of producers is restricted to the necessaries."[302] Sismondi's writings had provoked "polemical attacks .. by supporters of Say's Law who," as Sowell documents, "had initiated the general glut controversy of the 1820s."[303] Taking on the heavyweights of the orthodox tradition—Ricardo, Say, McCulloch, and Mill—Sismondi argued that production was limited by consumption and that the later depends, crucially, upon income.[304]

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[300] Marx, *TSV,* V. 2, p. 577.
[301] *Op. cit.,* p. 578.
[302] Marx, *TSV,* V. 2, pp. 55-56.
[303] Sowell, *op. cit.,* p. 52.
[304] Rubin, *History, op. cit.,* p. 337.

Rejecting the orthodox position that a general glut was impossible, Sismondi declared that the classical political economists had "encouraged the producers to cause that glut in the markets which at this time occasions the distress of the civilized world."[305] Indeed, in the preface to the new edition of Sismondi's *Nouveaux Principes* (first published in 1819, Second Edition in 1826), Sismondi let the facts speak for him:

> The study of England has confirmed me in my "New Principles." In this astonishing country, which seems to be submitted to a great experiment for the instruction of the rest of the world, I have seen production increasing whilst enjoyments were diminishing. The mass of the nation here, no less than philosophers, seems to forget that the increase of wealth is not the end in political economy, but its instrument in procuring the happiness of all. I sought for this happiness in every class, and I could nowhere find it.[306]

For Sismondi, not only was the link between capital and employment not the natural and unshakeable link between the propertyless and their means of subsistence that the orthodox political economists had made it out to be; not only was it not the case that production immediately calls forth consumption, and the supply creates its own demand; not only was it incorrect that the economy—which for Ricardo and his followers was simply a fact of nature—could never of itself run into general gluts and crises of underconsumption; rather, as was clear for all to see, the very opposite of these orthodox principles had in reality come true. The facts had borne out

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[305] Preface to the Second Edition of *New Principles.* In, Sismondi, Jean Charles Léonard Simonde de. *Political Economy and the Philosophy of Government; A Series of Essays selected from the Works of M. de Sismondi. With an Historical Notice of his Life and Writings by M. Mignet.* London: John Chapman, 1847. https://oll.libertyfund.org/titles/1963, pp. 119-120. Cited in Rubin, *op. cit.,* p. 337.
[306] Sismondi, *op. cit.* p. 115.

Sismondi's argument from the "*New Principles*." Here, for Sismondi, was the real relationship between the accumulation of wealth and the "operatives," by which he meant propertyless working poor, who produce it:

> Seven years have passed, and facts appear to have fought victoriously for me. They have proved, much better than I could have done, that the wise men from whom I have separated myself were in pursuit of a false prosperity; that their theories, wherever they were put in practice, served well enough to increase material wealth, but that they diminished the mass of enjoyment laid up for each individual; that if they tended to make the rich man more rich, they also made the poor man more poor, more dependent, and more destitute. Crises utterly unexpected have succeeded one another in the commercial world; the progress of industry and opulence has not saved the operative who created this opulence from unheard-of sufferings … and in spite of the implicit faith which the disciples of Political Economy accord to the instructions of their masters, they are obliged to seek elsewhere new explanations for those phenomena, which diverge so widely from the rules they consider as established.[307]

In a damning account of the failures of orthodox political economy's basic principles, Sismondi argued that political economy had turned to abstractions with "little relation to man and society," had built its cherished ideas on foundations which had "dissipated into air," and had, for all practical purposes, become a science of "chresmatistics," focused on the increase of wealth at all cost, without even a definition of what it is that "wealth" means.[308]

Sismondi thus represents the most critical of the critical political economists before Engels. Yet while Sismondi clearly discerned the contradictions of capitalist production, he could not, according to Marx, be said to have clearly grasped them.

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[307] *Op. cit.,* p. 114.
[308] *Op. cit.,* p. 124.

Sismondi, as Marx maintained, "forcefully *criticises* the contradictions of bourgeois production but does not *understand* them, and consequently does not understand the process whereby they can be resolved."[309] Here, we return to the problem of social form. For Sismondi was no socialist. A native of Switzerland, Sismondi, according to both Marx and Rubin, looked to outworn, traditional forms of production, the "patriarchal *peasant and handicraft* economies,"[310] that still existed in his country, and indeed all over the world. It was only in England that capitalist social relations had firmly taken hold. Sismondi, believing that perhaps a combination of state controls and social reforms could perhaps smooth out the contradictions of the productive system of which he was such a fierce critic, failed to grasp the nature of this system. As Marx put it, Sismondi failed to understand that "relations of distribution are only relations of production seen from a different aspect."[311]

The social forms of the capitalist mode of production include both its relations of production and its relations of distribution. For Marx, efforts to ameliorate the contradictions of capitalist production via alterations in the distribution of the total social product, while perhaps able to provide temporary relief, cannot escape the fact that distribution relations and production relations are ultimately inseparable aspects of the grounding social forms of the capitalist mode of production. To fail to grasp this is literally to fail to grasp what capitalism is. It would be left to Marx to make these discoveries. But before turning to Marx's work on the relationship between

[309] Marx, *TSV,* V. 3, p. 56.
[310] Rubin, *op. cit.,* p. 342.
[311] Marx, *op. cit.*

capitalist production, population, and surplus population, we must give a brief account of the work of Engels on this constellation of problems. For Engels, unlike the critical political economists Barton and Sismondi, broke radically from the idea that private property was a fact of man's relationship to nature. Engels grasped that capitalist production was grounded in the private ownership of the means of production, that private property had a history, and as such it could, and should, be superseded. His critique of capitalism and his account of the relationship between capital accumulation and surplus populations is, as we shall see, undertaken from this radical vantage point.

3.4. Engel's Radical Political Economy: Private Property, Competition, and the Machine

In this section I present a brief account of Engels' early works "Outlines of a Critique of Political Economy" and *The Condition of the Working Class in England.* My purpose here is to show that while Engels has a critique of private property and capitalist competition, he at this point does not grasp the grounding social forms of capitalist production—the form of value, and the commodity form. As a result of this, I argue, Engels' account of the origins of capitalism and of the effects of capitalist production upon the population of the working class rests upon his arguments about the contradictions of private property and capitalist competition. It is precisely for this reason that Engels' wished to abolish private property. For, as Clarke maintained,

private property was for Engels taproot from which all of the problems and evils of capitalist production arose.

I suggest that this aspect of Engels' early work limits his analysis of surplus populations. Engels identifies surplus populations as a constitutive feature of capitalist production, as an inevitable result of the implementation of machinery. He is of course correct that this happens under capitalist production, and he is to be credited for having been one of the first, if not the first, political economist theorist to see surplus populations as inevitable and as a problem that is not capable of being rectified under a regime of private property. However, because he lacks an account of capitalism's grounding social forms, his analysis of technological unemployment cannot get to the bottom of the contradictory relationship between surplus populations and the imperative to create surplus value. He is very close; in order to have gotten all the way down to this level, however, he would have had to provide an account of the value forms which determine what capitalism in fact is, and how surplus populations relate to what Marx referred to as the "value composition" of capital. Lacking this, his account, while radically critical, remains at the superficial level of a description, and incorrectly suggested that the contradiction between capital and wage-labor ultimately stems from the unnatural division between the two, violently imposed by private property.

Indeed, for Marx, private property was not the *ur*-category of the capitalist mode of production. As the quote from Banaji, above, suggests, for Marx the whole theory of capital, that is to say Marx's understanding of what capital is, is a theory

that is unfolded from the category of value.[312] This is not a mere academic problem. As Clarke maintains, for Marx, "private property is only the juridical expression of a more fundamental relation, the social relation of commodity production."[313] Commodity production, based on value and surplus value, as a social relation is itself part and parcel of alienated labor.[314] Indeed, as Marx says, the classical political economists themselves had examined the problem of the content of value. That is, classical political economy, from Smith to Ricardo had explained the ultimate cost of the production of goods on the basis of the category of value, which they conceived of as a determination of labor.

In Adam Smith's famous example of the exchange between two men in a primitive state, "if it usually costs twice the labour to kill a beaver which it does to kill a deer, one beaver should naturally exchange for or be worth two deer."[315] This was because "The real price of everything, what everything really costs to the man who wants to acquire it, is the toil and trouble of acquiring it."[316] Of course the value form did not exist in such societies, even if all societies have had to take account of the time devoted to the different aspects of reproducing themselves. At any rate, Ricardo chastised Smith for breaking with this simple rule, for not consistently

[312] Banaji, *op. cit.*
[313] Clarke, *op. cit.,* p. 60.
[314] *Ibid.*
[315] Smith, *Wealth of Nations,* p. 65.
[316] *Op. cit.,* p. 47.

applying it in his exposition of prices, and indeed for coming up with a new definition of value, an incorrect one, in this exposition.[317]

However, neither Smith, nor Ricardo, nor any other classical political economist (with the partial exception of Samuel Bailey), ever bothered, according to Marx, to examine the *form* of value. "Political economy has indeed analysed value and its magnitude, however incompletely, and has uncovered the content concealed within these forms. But it has never once asked the question why this content has assumed that particular form, that is to say, why labour is expressed in value, and why the measurement of labour by its duration is expressed in the magnitude of the value of the product."[318] Then, in the footnote to this sentence, Marx maintains, "It is one of the chief failings of classical political economy that it has never succeeded, by means of its analysis of commodities, and in particular of their value, in discovering the form of value which in fact turns value into exchange-value."[319]

This is all to say, in rather complicated philosophical language, that classical political economy had indeed examined the content of value, and arrived at the conclusion, more or less correctly, as Marx indicates, that the content of value is labor, measured by its duration, in time. However, classical political economy did not examine the form of value, which would have entailed an examination of the content of the very form, that is, an examination of what this form is that has as its content

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[317] Ricardo, David. *By David Ricardo - The Principles of Political Economy and Taxation: 1st (First) Edition*. Prometheus Books, 1997, p. 19.
[318] Marx, *Capital,* V. 1, pp. 173-174. See also, Backhaus, Hans-Georg. "On the Dialectics of the Value-Form." *Thesis Eleven* 1, no. 1 (February 1, 1980): 99–120.
[319] Marx, *op. cit.,* p. 174n.

labor measured by time.[320] In Marx's own work, this examination yielded the discovery that the category of value is social, it is a relation between people; it is, indeed, the grounding social relation of the capitalist mode of production.[321] Engels' early work lacks this conception of social form, and attributes the contradictions of capitalism to private property and competition. Engels is not wrong, needless to say, that capitalism rests on private ownership of the means of production. Marx's perspective, however, is that only by analyzing the grounding social forms of private property in the unique and historically specific mode of production that is capitalism, that a theory adequate to grasping it can be built. Let us turn briefly to Engels' "Outlines" to see how his argument, which proceeds from private property, unfolds.

First, private property begets trade, its "immediate consequence."[322] "Trade," as Engels argued, "like every activity under the dominion of private property become a direct source of gain for the trader … In every purchase and sale, therefore, two men with diametrically opposed interests confront each other." This, in turn, established value, "the next category established by trade." Value is split, "violently torn asunder," by political economy into "abstract or real value," and "exchange

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[320] Backhaus, *op. cit.*

[321] Murray, Patrick. "Marx's 'Truly Social' Labour Theory of Value: Part I, Abstract Labour in Marxian Value Theory." *Historical Materialism* 6, no. 1 (2000): 27–66.

[322] "Outlines of a Critique of Political Economy." Deutsch-Französische Jahrbücher, 1844. Martin Milligan, translator. https://www.marxists.org/archive/marx/works/1844/df-jahrbucher/outlines.htm. All subsequent quotations come from this source, which lacks pagination.

value." Thus, property establishes trade, the category of trade unfolds into value, value, in turn, is bifurcated into "real value" and "exchange value."

Exchange value, in distinction from real value, for Engels, is a matter of "subjective utility." In a system that was not dominated by private property, Engels contends, real value, as a concept, as a measurement of labor input, would govern production. "The practical application of the concept of value," as he puts it, would after the supersession of private property, "be increasingly confined to the decision about production, and that is its proper sphere." However, under the prevailing system of private property, exchange value is the dominant side of the category of value, for it is what governs buying and selling of goods which are produced by competing owners of private property. From here, quite naturally, competition may in turn be derived. For owners of private property trade and buy and sell; all of this is governed by exchange value, insofar as they are attempting to make money from their investments, purchases, and sales, and can only do so by responding to the market, which through its anarchy and subjective definitions of utility, establishes the exchange value of goods.

We may further see how private property works as the grounding category in Engels' analysis in his account of the unnatural "split between capital and labour" to which it gives rise. Capital and labor are originally united, for there is no capital without labor, and even the economists admit that capital is stored up labor. Private property, however, causes a mutation in this relationship, dividing capital and labor, which were originally unified, and would again be so without private property.

Private property, which divides man from his natural relation to the product of labor, ramifies these divisions, and in doing so increases the "absurdity" and unsustainability of this original separation:

> The split between capital and labour resulting from private property is nothing but the inner dichotomy of labour corresponding to this divided condition and arising out of it. And after this separation is accomplished, capital is divided once more into the original capital and profit – the increment of capital, which it receives in the process of production; although in practice profit is immediately lumped together with capital and set into motion with it. Indeed, even profit is in its turn split into interest and profit proper. In the case of interest, the absurdity of these splits is carried to the extreme. The immorality of lending at interest, of receiving without working, merely for making a loan, though already implied in private property, is only too obvious, and has long ago been recognised for what it is by unprejudiced popular consciousness, which in such matters is usually right. All these subtle splits and divisions stem from the original separation of capital from labour and from the culmination of this separation – the division of mankind into capitalists and workers – a division which daily becomes ever more acute, and which, as we shall see, is *bound* to deepen. This separation, however, like the separation already considered of land from capital and labour, is in the final analysis an impossible separation.

Because this separation is impossible, it is of course bound to end. When it does, the unity of capital and labor will be reestablished.

> If we abandon private property, then all these unnatural divisions disappear. The difference between interest and profit disappears; capital is nothing without labour, without movement. The significance of profit is reduced to the weight which capital carries in the determination of the costs of production, and profit thus remains inherent in capital, in the same way as capital itself reverts to its original unity with labour.

In Engels' early work, then, what I have referred to as critical political economy is pushed beyond itself to confront private property. While critical political economists

such as Barton and Sismondi recognized major problems, inconsistencies, and flat-out myths in the tradition of orthodox classical political economy, they nonetheless largely remained within the orbit of the long arc of the tradition of political economy, insofar as they did not seriously question the naturalness of capitalist private property. For Engels, private property is definitively not a natural institution; it is in fact the complete opposite; property was established by violence and greed, and leads both logically and actually to irreconcilable contradictions that will sweep it away.

Principal amongst the contradictions of private property, for Engels, were the problems of poverty and surplus populations of the class of the propertyless laboring poor. Private property leads to capitalist competition. As a result, "production is driven to a fever pitch … the highest pitch of activity." In Sismondi like fashion, this leads to overproduction on the one hand, underconsumption on the other; the result, of course, is crisis. It is precisely because of this, and because of the orthodox tradition's adamant refusal to admit that crises were even possible that, according to Engels, the political economic theory of population was cooked up:

> The consequence of this over-exertion on the one side is, inevitably, slackening on the other. When the fluctuation of competition is small, when demand and supply, consumption and production, are almost equal, a stage must be reached in the development of production where there is so much superfluous productive power that the great mass of the nation has nothing to live on, that the people starve from sheer abundance. For some considerable time England has found herself in this crazy position, in this living absurdity. When production is subject to greater fluctuations, as it is bound to be in consequence of such a situation, then the alternation of boom and crisis, overproduction and slump, sets in. The economist has never been able to find an explanation for this mad situation. In order to explain it, he invented the

> population theory, which is just as senseless – indeed even more senseless than the contradiction of coexisting wealth and poverty.

Marx was never one to pull punches when it came to Malthus. In the "Outlines" and *The Condition of the Working Class in England,* however, we get a sense of the almost unmitigated rage that Malthus' theory provoked in Engels. It is a "vile, infamous theory," a "hideous blasphemy against nature and mankind." In *The Condition of the Working Class in England,* he referred to it as "the most open declaration of war of the bourgeoisie upon the proletariat."[323] Yet, as Engels argues, it is just this theory that is "the keystone of the liberal system of free trade, whose fall entails the downfall of the entire edifice." If Malthus had considered the matter more closely, Engels maintain, he would have understood that the problem was not means of subsistence at all, but means of employment. The scarcity is not scarcity of food, for capitalist production was at this very time demonstrating the extent of its productive powers. As Engels pointed out, because competition governs production in agriculture, vast tracts of land, "thirty million acres" in Great Britain and Ireland are not even cultivated. Moreover, competition results in uneven rhythms of production and the boom and slump cycles to which production is subject. This of course has profound effects on the proletarian classes:

> For [capital] no man has the slightest concern. Cast into the whirlpool, he must struggle through as well as he can. If he is so happy as to find work, i.e., if the bourgeoisie does him the favour to enrich itself by means of him, wages await him which scarcely suffice to keep body and soul together; if he can get no work he may steal, if he is not afraid of the police, or starve, in which case

[323] Engels, *The Condition of the Working Class in England,* p. 570

> the police will take care that he does so in a quiet and inoffensive manner.[324]

It is indeed in the chapter "Competition" from *The Condition of the Working Class in England* that Engels puts forward his sharpest critique of the classical political economists' theories of wages (which as we have seen were intimately linked to their theories of population), and introduces the category "the reserve army of labour," which will later become so important to Marx.

In the chapter "Competition," Engels describes the processes whereby increases in the productivity of industry, arising from the implementation of machinery, produces surplus populations. Here, we have the first formulation—that I am aware of—that conceives of surplus populations as being a direct and inexorable result of capitalist production, not subject to amelioration than any means save the abolition of private property. The fierce competition between capitalists drives the process of production to a fever pitch, which, as a result of the efficiency gains that take place in given lines from periodically, in turn results in competition amongst the working men themselves for jobs. Competition is here generalized, it "is the completest expression of the battle of all against all which rules in modern civil society."[325] The results, of course, are disastrous for everyone save the capitalists and speculators. "The productiveness of each hand raised to the highest pitch by the competition of the workers among themselves, the division of labour, the introduction

[324] *Op. cit.,* p. 330.
[325] *Op. cit.,* p. 375.

of machinery, the subjugation of the forces of Nature, deprive the multitude of the workers of bread."[326] This in turn deepens the crisis tendencies of capitalism, as "These starving workers are then removed from the market … the quantity of articles of consumption previously required by them is no longer in demand … the workers previously employed in producing them are therefore driven out of work … and so it goes … or rather, so it would go if other circumstances did not intervene."[327] These "other circumstances" are crucial for the introduction of the category of the "reserve army of labour."

What Engels here very acutely diagnoses, is a dynamic that will have immense significance for Marx's own "General Law of Capitalist Accumulation." The dynamics of competition are disastrous for the workers. They have, however, a flip-side. For the very competition that Engels sees as the driving dynamic of capitalism gives rise to efficiency gains, and this results in a steady cheapening of many articles of consumption. "The introduction of the industrial forces … leads, in the course of time, to a reduction of prices of the articles produced and to consequent increased consumption, so that a large part of the displaced workers finally, after long suffering, find work again."[328] These countervailing forces which draw the discharged workers back into the employ of the capitalists are, moreover, given a boost by "the conquest of foreign markets." At the time Engels was writing, the British Empire was indeed in the process of perfecting precisely this economic art.

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[326] *Op. cit.,* p. 381.
[327] *Ibid.*
[328] *Ibid.*

Barton succeeded in reversing the classical political economists' dictum that increases in wages lead to increased population. He accomplished this by showing that low wages increase demand for labor, thus allowing, even if at low wages, young men to gain independence and to marry. Engels' critique is far more radical. Whereas Barton could be said to have inverted the political economists' rule of the relationship between wages and population, he clearly retains the relationship between *employment* and population. Engels, on the other hand, grasps that through capitalist competition products become dramatically cheaper, and this has profound effects on the laboring class. On the one hand it improves their chances of survival. "Thus," Engels maintains, "instead of diminishing, the population of the British Empire has increased with extraordinary rapidity, and is still increasing."[329] On the other hand, however, alongside this dynamic of cheapening of products, is a tremendous increase in the precariousness of the position of the working classes vis-à-vis capital.

Neither political economists nor politicians are able to crack the secret of this contradiction. So, "in spite of the extension of industry [and] the demand for working-men which, in general, has increased, there is, according to the confession of all the official political parties (Tory, Whig, and Radical), permanent surplus, superfluous population; the competition among the workers is constantly greater than the competition to secure workers."[330] Here, Engels presents his argument on the necessity of the "reserve army of labour." Again, it is grounded in his understanding

[329] *Ibid.*
[330] *Ibid.*

of capitalist competition, itself grounded in private property, and the crisis dynamics to which it gives rise. "It is clear that English manufacture must have, at all times save the brief periods of highest prosperity, an unemployed reserve army of workers, in order to be able to produce the masses of goods required by the market in the liveliest months."[331] During periods of prosperity this reserve army is drawn on, during periods of crisis it is released and grows to "embrace an immense multitude." Armed with this conception of the reserve army of labor, Engels now redefines the classical conception of surplus populations. "During the period which may be regarded as the average between the highest prosperity and the crisis," Engels argues, "is the 'surplus population' of England, which keeps body and soul together by begging, stealing, street-sweeping, collecting manure, pushing hand-carts, driving donkeys, peddling, or performing occasional small jobs. In every great town a multitude of such people may be found."[332] Here then, is what the surplus population really is. This puts to rest for good the bogus explanations for surplus populations that classical political economy grounded in its equilibrium fantasies of the relationship between capital and labor. By grounding his analysis of population in one of the most basic institutions of bourgeois society (private property), and the competitive dynamics to which it gives rise, Engels demonstrates that, far from being an anomaly, surplus populations are a constitutive feature of capitalist development.

[331] *Op. cit.* 384.
[332] *Ibid.*

Engels' account offers a vivid description of the conditions of the poor and the dynamics of competition which create a specific kind of demand for a surplus population on which to draw in times of prosperity, and which may in turn be released in times of contraction. The only problem with Engels' account is that, as Clarke has argued, it is not grounded in an account of the foundational social forms of capitalist society, and private property thus remains an "unexamined premise." Engels' account does not build from the commodity form and the value form, and insofar as this is the case, it lacks a clear conception of what capital *is.* Does this really matter? Is Engels' account of competition and the surplus populations to which competition gives rise, in all its vividness, actually limited by this lack of a full-fledged theory of capital? There is one way in which I can discern that it indeed is.

In the beginning of *The Condition of the Working Class in England,* Engels argues that the proletariat emerged in the second half of the eighteenth-century. His explanation for its emergence is, in short, the invention of machinery: "the steam-engine" and "machinery for working cotton."[333] "We have already seen," Engels explains in a later passage, "how the proletariat was called into existence by the introduction of machinery. The rapid extension of manufacture demanded hands, wages rose, and troops of workmen migrated from the agricultural districts to the towns."[334] Here, I contend, a significant problem in Engels' lack of an account of capitalism's grounding social forms becomes clear.

[333] *Op. cit.,* p. 308.
[334] *Op. cit.,* p. 321.

In a word, what gave rise to "the rapid extension of manufacture" and the widespread application of machinery to the process of production? Engels himself has argued that capital and labor are two sides of the same coin, unnaturally and violently ripped apart by private property. In arguing this, Engels touches on something that will also be of immense importance to Marx. Capital cannot exist without wage labor, for if there is no class of wage laborers, a propertyless class with nothing to sell but their own capacity to work, then there is also no capital. Engels' argument that the proletariat was called into existence by machinery is therefore tantamount to the suggestion that it is the introduction of machinery that marks the emergence of capital, and thus, capitalism.

There is a big problem with this argument; it simply does not and cannot provide an explanation for the competitive dynamics which called forth machinery in the first place, aside from attributing this to private property. But private property is not in itself a sufficient explanation. There needs to be something else to explain why and how private property became subject to the competitive constraints of capitalism. Here, it must be kept in mind that the competitive constraints of capitalism are also very specific in their nature. All sorts of different forms of human competition and competitiveness have existed, from time immemorial. Feudal knights and lords were, no doubt, extremely competitive in their relationships with one another. But this competitiveness itself did not give rise to capitalism.[335]

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[335] Brenner, Robert. "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism." *New Left Review*, no. 104 (August 1977): 25–92; and, "Property and Progress: Where Adam Smith Went Wrong. In, Wickham, Chris, ed. *Marxist*

Engels is here falling into a trap that has been common in many attempts to explain the origins of capitalism; he is assuming what needs to be explained. For without an account of the social forms that give rise to the specific forms of competition that exist under the capitalist mode of production, the appearance of the machine operates as a kind of *deus ex machina.* Of course many historians have similarly attributed the rise of capitalism to the rise of industry and machinery, in short, to the industrial revolution. For Marx, however, and for Marxist historians who have paid due attention to the importance of social form in Marx's critical theory, such explanations fall flat. For they simply do not explain where the competitive drive came from that caused machines to be implemented in the first place. Obviously, the implementation of machinery did not come out of nowhere. Machine based production took place within an economic system that was already capitalist. This social field, this mode of production, had already taken shape and set in place the specific forms of economic competition which gave rise to machines and to their widespread use in production.

Engels' reading of the origins of capitalism, however, might be said to comport with his more general vision of the underlying contradiction of capitalist production. For Engels, this contradiction is to be found in private property which, as we saw above, he blames for unnaturally pulling capital and labor apart. Private property in Engels' view is responsible for the contradictions of capitalism because it

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History-Writing for the Twenty-First Century. OUP/British Academy. British Academy Occasional Papers 9, 2007.

structures a conflict between production and distribution. Private property dominates production, as Engels indicates in the "Outlines," and it is as a result of private property that distribution is so skewed. This brings about crises of underconsumption that arise out of lack of sufficient earnings among the masses with which to purchase the very goods they create. Because this contradiction between production and distribution was becoming more stark in the very period that Engels' identifies, it is here that he identifies capitalism's origins.

However, Engels' argument that the fundamental contradiction of capitalist production is to be located in the antagonism between production and the private ownership of the means of production that determine distribution is, from the perspective of Marx's critical theory, inaccurate. Capitalism's contradictions, for Marx, exist deep in the "hidden abode" of production itself, and in order to be understood must be grasped as arising out of the very nature of what is being produced—i.e. commodities—and the social forms that are the basis of the imperatives that govern and structure production—the forms of value and surplus value. It is from the perspective of the contradictions deep within production that Marx's own understanding of the relationship between capital and population is articulated. It is this perspective, of Marx's identification of the grounding social forms of the capitalist mode of production, that has served as the basis for the Marxian analysis and critique of classical political economy's theories of population (and Engels' theory of population), that I have attempted to provide in this study.

3.5. Conclusion: Marx's Critical Theory and Surplus Populations

Throughout this study I have emphasized that a Marxian analysis and critique of classical political economy's theories of population and living standards must be grounded in an understanding of the failure of this tradition of social and political thought to grasp the grounding social forms that give the capitalist mode of production its historical and social specificity. As I just demonstrated in the section above, this critique applies even to the work of Engels himself, insofar as Engels does not fully grasp that prior to private property and competition are the forms of the social relations between people that structure the capitalist mode of production. These forms, of the commodity, value, surplus value, and money as the necessary form of appearance of value, structure Marx's critical theory of capitalism. It is this theory that provides a precise explanation for what capital is and of how its dynamics of accumulation and crisis tendencies have their origins in the forms of social life, the social forms, that bring capital into being.

While Engels' analysis is light years ahead of the obtuse equilibrium fantasies of orthodox political economic and its complete inattention to and ignorance of the social basis of capitalist production, even Engels, in the early works I analyzed, was unable to grasp what, at the deepest level, gives capital its being. As a result his analysis of surplus populations is limited. While Engels is of course correct in arguing that surplus populations are a result of capitalist competition, he is nonetheless unable to account for the phenomenon of surplus population as a determination of the underlying value forms of capitalist production. It is for this reason that he believes,

for example, that capital and labor ought naturally to be united, and that it is private property that has unnaturally divided them. Surplus populations, on this account, have as their ultimate basis a contradiction between production on the one hand, and distribution, dictated by the rules of private property, on the other. This, in turn, is why Engels believes that the abolition of private property, and the reunification of capital and labor, would put an end to this contradiction.

For Marx, this attribution of the central contradiction of the capitalist mode of production to private property, the unnatural separation of capital and labor, and the antagonism between production and distribution that this brings about, is incorrect. Rather, the contradiction between labor and capital is located in the very nature of capitalist production itself. Capitalist production is a unique, socially and historically specific mode of production, in which production takes place as the production of commodities. These commodities are the bearers of value and surplus value, and it is the imperative, arising in production itself, to maximize surplus value that is, for Marx, the origin of the contradictions of capitalism generally, and indeed of the relationship between capital and labor, or capital and the laboring population, more specifically. Thus Marx writes in the *Grundrisse:*

> It seems to be correct to begin with the real and the concrete, with the real precondition, thus to begin, in economics, with e.g. the population, which is the foundation and the subject of the entire social act of production. However, on closer examination this proves false. The population is an abstraction if I leave out, for example, the classes of which it is composed. These classes are in turn an empty phrase if I am not familiar with the elements on which they rest. E.g. wage labour, capital, etc. These latter in turn presuppose exchange, division of labour prices, etc. For example, capital is nothing without wage labour, without value, money,

> price, etc. Thus, if I were to begin with the population this would be a chaotic conception of … of the whole, and I would then, by means of further determination, move analytically towards ever more simple concepts … from the imagined concrete towards ever thinner abstractions until I had arrived at the simplest determinations. From here the journey would have to be retraced until I had finally arrived at the population again, but this time not as a chaotic conception of the whole, but as a rich totality of many determinations and relations.[336]

Marx's explanation of the relationship between population and capital, therefore, does not begin with an analysis of population itself; nor does it begin with an analysis of labor; nor of private property and the class structure that results from the domination of private property. Marx, rather, begins his entire analysis of capitalism from an analysis of the commodity form and the value form. It is from here that his analysis of surplus value and capital unfolds, and it would be from here that his articulation of the formation and persistence of surplus populations in a capitalist mode of production proceeds as well.

Marx's most complete formulation of the relationship between population and capital is to be found in Chapter 25 of *Capital* V. 1, entitled "The General Law of Capitalist Accumulation." Here, Marx opens the chapter by stating that its purpose it to "consider the influence of the growth of capital on the fate of the working class. The most important factor in this investigation is the composition of capital, and the changes it undergoes in the course of the process of accumulation."[337] Marx's analysis of the composition of capital is extremely detailed and complex. For the

[336] Marx, *Grundrisse,* p. 100.
[337] Marx, *Capital,* p. 762.

purposes of this conclusion to the study, the point is not to provide a detailed account of Marx's argument. Indeed, this would require a separate study unto itself. We may, however, use Marx's argument as a place from which to offer some brief concluding remarks. As Marx claims, "The law of capitalist production" is what "really lies at the basis of the supposed 'natural law of population'…" This law, as Marx explains it, amounts to this.

> [The] relationship between capital, accumulation and the rate of wages is nothing other than the relation between the unpaid labour which has been transformed into capital and the additional paid labour necessary to set in motion this additional capital. It is therefore in no way a relation between two magnitudes which are mutually independent, i.e. between the magnitude of the capital and the numbers of the working population; it is rather, at bottom, only the relation between the unpaid and the paid labour of the same working population.[338]

At first glance Marx's criticism seems misplaced. The classical political economists, as we saw, indeed did understand that, to paraphrase Smith, the demand for men, like all commodities, regulates its supply. Yet we also saw that with the evolution of classical population theory, in its vulgarization of McCulloch and advocates of the "wages fund theory," the idea arose that it was the job of the working poor to regulate their own numbers, in order to ensure that they did not outgrow capital's own demand for their ability to work. This idea was part of a more general discourse which had worked to loosen, if not sever, the tie between economic growth and population growth, and was the basis of the idea that with due prudence the working population

[338] Marx, *op. cit.,* p. 771.

could ensure that their wages remained high, perhaps indefinitely and without clear limit.

Marx actually brings this relationship between capital and population back together, but does so in a way that reveals its paradoxical and contradictory nature. The more capital that accumulates, the more the demand for the labor that is needed to set it in motion. Yet capital itself, the unpaid labor of the working class that capitalists have turned into means of production, changes its structure over time, or what Marx refers to as its "composition." As capital accumulation takes the form of machinery it requires, per unit, less labor to set it in motion. "The growing extent of the means of production," Marx says, "as compared with the labour-power incorporated into them, is an expression of the growing productivity of labour."[339] As this productivity grows, society experiences a "diminution of the mass of labour in proportion to the mass of means of production moved by it."[340] In itself this would express a decline in demand for labor. However it is not so simple. For "the progress of accumulation lessens the relative magnitude of the variable part of capital," Marx says, by which he means the capital laid out in wages for laborers. It may do so, however, in such a way that "by no means thereby excludes the possibility of a rise in its absolute magnitude."[341] In other words, wages occupy a relatively smaller part of capital, but as capital grows, this "variable" part of capital, though relatively smaller, grows absolutely. Thus, it could be that as the pie grows, the working classes get a

[339] *Op. cit.,* p. 773.
[340] *Ibid.*
[341] *Op. cit.* p. 774.

proportionately smaller portion of this pie, but a slice that nonetheless keeps growing and growing. This, if true, would be its own version of the solution to the so-called "paradox of modern society" we saw in chapter 1; that is, it would be not dissimilar to Locke's and Smith's claims that the labor is absolutely better off, and this is all that counts.

However, the very dynamics of accumulation that caused the portion of the variable capital, i.e. the part falling to the laborer, to grow was part of a recursive process that undermines itself, at least so far as the laborer is concerned. For capital does not stand still in its composition, and the accumulation that causes demand for labor to rocket upwards reacts back on capital, changing its composition. For it is this accumulation that is the basis of the capitalists' ability to invest and crank out more and better machinery. Thus, Marx argues, "the increasing accumulation and centralization [of capital] also becomes in its turn a source for new changes in the composition of capital, or in other words of an accelerated diminution of the capital's variable component, as compared with its constant one."[342] Marx fills out the passage with an explanation of how this movement of the accumulation of capital reacts back on the working population"

> The accelerated relative diminution of the variable component, which accompanies the accelerated increase of the total capital and moves more rapidly than this increase, takes the inverse form, at the other pole, of an apparently absolute increase in the working population, an increase which always moves more rapidly than that of the variable capital or the means of employment. But in fact it is capitalist accumulation itself that constantly produces, and produces indeed in direct relation with its own energy and extent, a

[342] *Op. cit.* p. 782.

> relatively redundant working population, i.e. a population which is superfluous to capital's average requirements for its own valorization, and is therefore a surplus population.[343]

The working class is caught up in this dynamic and cannot get free from it. Moreover, the working class itself drives this development, though obviously not of its own choosing, insofar as the working class produces capital. Thus, Marx maintains:

> The working population therefore produces both the accumulation of capital and the means by which it is itself made relatively superfluous; and it does this to an extent which is always increasing. This is a law of population peculiar to the capitalist mode of production; and in fact every particular historical mode of production has its own special laws of population, which are historically valid within that particular sphere. An abstract law of population exists only for plants and animals, and even then only in the absence of any historical intervention by man.[344]

Engels was correct, as far as his description of this process is concerned. The surplus population, made superfluous by capital itself, turns out to be vital to capitalism's further development. "It is the lever," Marx maintains, of further "accumulation, indeed it becomes a condition for the existence of the capitalist mode of production. It forms a disposable industrial reserve army, which belongs to capital just as absolutely as if the later had bred it at its own cost."[345] Here we see clearly how Marx has grounded his analysis of population in the social forms of the capitalist mode of production, the starting point that was the basis of his broader theory. It was from an examination of the commodity form and the value form that he arrived at his own

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[343] *Ibid.*
[344] *Op. cit.,* pp. 783-784.
[345] *Op. cit.* p. 784.

critical theory of surplus value, and of the necessity for surplus value to appear in the form of money. Here, population figures back into a theory that unfolds from these social forms. Marx concludes, "Independently of the limits of the actual increase of population, [capital] creates a mass of human material always ready for exploitation by capital in the interests of capital's own changing valorization requirements."[346] It is this human mass, ready to serve capital's requirements for self-valorization, upon which "Modern industry's whole form of motion therefore depends." The result, a "constant transformation of a part of the working population into unemployed or semi-employed 'hands'."[347] For Marx, these dynamics are part of the very nature of capitalist production. They express not a contradiction between production and distribution, but are located at the heart of production itself. Industry, mechanization, the efficiency gains brought about by machinery; all of this has, for Marx, as its flipside the phenomena of unemployment and precarity, the erosion of the link between the population of the propertyless and their ability to gain subsistence through the mediation of steady employment by capital.

For Marx, writing in the second half of the nineteenth-century, this argument was still in part directed at the "dogma of the economists," the law of population, which led them to the ideological position that the poor must work to govern their own procreation to the requirements of capital. Marx, through an analysis of the social forms of capital, demonstrates how and why this is impossible. In a sense we

[346] *Ibid.*
[347] *Op. cit.* p. 786.

are today a long way from Marx's time. Certainly, as far as population is concerned, no economist today would attempt to engage in the sort of economic analysis of population that for the classical economists from Smith to McCulloch was a fundamental part of the discipline. However, Marx's work on the dynamics of accumulation, and the effects of these dynamics on the population of the propertyless his theory describes, helps to elucidate a process which, I would argue, is still in motion. For millions, perhaps even billions of people today, the classical political economists' idea that employment would serve as the natural form of the mediation between the propertyless and their means of subsistence could hardly be less relevant, hardly more absurd.[348] Marx's theory of population, while not offering a demographic theory *per se,* has in this context, perhaps more than ever, an obvious relevance and applicability. Such relevance does not depend on Marx having gotten everything right. Its relevance, rather, derives from its status as an attempt to work out, on the basis of a theory of what capitalism actually is, the nature and tendencies of the relationship between employment and capital that are structured by the social forms of this perplexing and paradoxical mode of production.

[348] Benanav, "A Global History of Unemployment: Surplus Populations in the World Economy, 1949-2010."

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